



# Hewlett Packard Enterprise

HEWLETT PACKARD ENTERPRISE COMPANY

3000 Hanover Street  
Palo Alto, CA 94304, U.S.A.

HEWLETT PACKARD ENTERPRISE COMPANY  
2015 EMPLOYEE STOCK PURCHASE PLAN (THE "ESPP")

Prospectus for the employees of certain European Economic Area ("EEA") subsidiaries  
of Hewlett Packard Enterprise Company, subject to the applicable legislation in each country



Pursuant to articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and its General Regulation, in particular articles 211-1 to 216-1 thereof, the *Autorité des marchés financiers* (the "AMF") has attached visa number 15-543 dated October 23, 2015 onto this prospectus. This prospectus was established by the issuer and incurs the responsibility of its signatories. The visa, pursuant to the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, was granted after the AMF has verified that the document is complete and comprehensible, and that the information it contains is consistent. The visa represents neither the approval of the worthiness of the operation nor the authentication of the financial and accounting information presented.

This prospectus will be made available in printed form to employees of the EEA subsidiaries of Hewlett Packard Enterprise Company based in countries in which the offering under the ESPP is considered a public offering, subject to the applicable legislation in each country, at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on Hewlett Packard Enterprise Company's intranet, and free copies will be available to the employees upon request by contacting the human resources departments of their employers. This prospectus and the French translation of its summary will also be available on the website of the AMF, [www.amf-france.org](http://www.amf-france.org).

## NOTE TO THE PROSPECTUS

This prospectus, which contains material information concerning Hewlett Packard Enterprise Company, was established pursuant to articles 211-1 to 216-1 of the AMF General Regulation. Pursuant to Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended by Commission Delegated Regulations (EU) No 486/2012 of 30 March 2012, No 862/2012 of 4 June 2012 and No 759/2013 of 30 April 2013 (the "Prospectus Regulation"), this prospectus is composed of the following parts in the following order:

- (1) a table of contents,
- (2) the summary provided for in Article 5(2) of Directive 2003/71/EC of the European Parliament and of the European Council of 4 November 2003, as amended by Directive 2010/73/EU and Directive 2014/51/EU (the "Prospectus Directive") (Part I constitutes the prospectus summary),
- (3) the risk factors linked to the issuer and the type of security covered by the issue, and
- (4) excerpts from Annexes I and III of the Prospectus Regulation which, by application of Articles 3, 4, and 6 of the Prospectus Regulation and question 71 of the European Securities and Markets Authority ("ESMA") Q&A,<sup>1</sup> are required for this offering of equity securities to employees of Hewlett Packard Enterprise Company and its affiliates.

This prospectus also contains supplemental information concerning the ESPP (Part II - Section B) as well as the following document (Exhibit):

- Hewlett Packard Enterprise Company 2015 Employee Stock Purchase Plan.

When used in this prospectus, the terms "we," "us" or "our" mean Hewlett Packard Enterprise Company and its consolidated subsidiaries.

In this prospectus, "\$" refers to U.S. dollars.

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<sup>1</sup> Frequently Asked Questions, Prospectuses: Common positions agreed by ESMA Members 22<sup>nd</sup> updated version – October 2014 (21 October 2014 | ESMA/2014/1279).

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**COMPANY REPRESENTATIVE FOR PROSPECTUS**

- 1.1** Timothy C. Stonesifer, Executive Vice President and Chief Financial Officer, acting for and on behalf of Hewlett Packard Enterprise Company.
- 1.2** To my knowledge, after having taken all reasonable measures for this purpose, the information contained in this prospectus fairly reflects the current situation and no material omission has been made.
- 1.3** Hewlett Packard Enterprise Company has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has read the prospectus, including the financial information concerning the enterprise technology infrastructure, software, services and financing business of Hewlett-Packard Company (substantially all of which will be transferred to Hewlett Packard Enterprise Company in connection with the separation and distribution) for the fiscal years ended October 31, 2014, 2013 and 2012 and for the nine months ended July 31, 2015 and 2014 contained in Part I - Element B.7 and Part II - Section B.10.1 of this prospectus, in accordance with the professional standards and interpretations applicable to it in the United States of America pursuant to PCAOB Interim Auditing Standard AU Section 550, *Other Information in Documents Containing Audited Financial Statements*.

/s/ Timothy C. Stonesifer

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Timothy C. Stonesifer

Executive Vice President and Chief Financial  
Officer of Hewlett Packard Enterprise Company  
Palo Alto, California, U.S.A,  
October 22, 2015

## PART I — PROSPECTUS SUMMARY

## VISA NUMBER 15-543 DATED OCTOBER 23, 2015 OF THE AMF

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

## SECTION A — INTRODUCTION AND WARNINGS

<b>A.1</b>	<b>Warning to the reader</b>	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union or States party to the EEA Agreement, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have presented the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
<b>A.2</b>	<b>Consent to use of the prospectus</b>	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

## SECTION B — ISSUER

<b>B.1</b>	<b>Legal and commercial name of the issuer</b>	Hewlett Packard Enterprise Company ("HPE" or the "Company").
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<b>B.2</b>	<b>Domicile and legal form of HPE, the legislation under which it operates and its country of incorporation</b>	<p>HPE's principal offices are located at 3000 Hanover Street, Palo Alto, California 94304, United States of America.</p> <p>HPE was incorporated under the laws of the State of Delaware, U.S.A. as a wholly owned subsidiary of Hewlett-Packard Company ("HP Co." or the "Parent") on February 25, 2015.</p>
<b>B.3</b>	<b>Description of the nature of HPE's current operations and its principal activities</b>	
<p>On October 6, 2014, HP Co. announced that it intended to separate into two publicly traded companies: one comprising HP Co.'s enterprise technology infrastructure, software, services and financing businesses, which will do business as HPE, and one that will comprise HP Co.'s personal systems and printing businesses, which will do business as HP Inc. and retain HP Co.'s current logo.</p> <p>On September 30, 2015, the board of directors of the Parent approved the previously announced separation of HP Co.'s Enterprise Group, Enterprise Services, Software and Financial Services businesses through the distribution of 100% of the outstanding common stock of HPE to HP Co. stockholders. To consummate the separation, the HP Co. board of directors declared a pro rata dividend of HPE common stock, par value \$0.01 per share (the "Shares"), which is expected to be effective on November 1, 2015, to HP Co. stockholders of record as of the close of business on October 21, 2015 (the "Record Date"). Each HP Co. stockholder will receive one Share for every share of HP Co. common stock held as of the close of business on the Record Date. The separation and the distribution are subject to the satisfaction or waiver of certain conditions described below in Element B.4a.</p> <p>The Shares started to trade on the New York Stock Exchange (the "NYSE") on a "when-issued" basis on October 19, 2015. HPE expects "regular-way" trading of the Shares to begin on the first trading day following the distribution. Following is a description of HPE's business following the separation.</p> <p>HPE is a leading global provider of the cutting-edge technology solutions customers need to optimize their traditional information technology ("IT") while helping them build the secure, cloud-enabled, mobile-ready future that is uniquely suited to their needs. HPE's legacy dates back to a partnership founded in 1939 by William R. Hewlett and David Packard, and the Company strives every day to uphold and enhance that legacy through its dedication to providing innovative technological solutions to its customers. In fiscal year 2014, HPE generated net income of \$1.6 billion from revenues of \$55 billion.</p> <p>HPE believes that it offers the most comprehensive portfolio of enterprise solutions in the IT industry. With an industry-leading position in servers, storage, and wireless networking, converged systems, software and services, combined with its customized financing solutions, HPE believes it is best equipped to deliver the right IT solutions to help drive optimal business outcomes for its customers.</p> <p><b><i>HPE's Business Segments, Products and Services</i></b></p> <p>HPE organizes its business into the following five segments:</p> <ul style="list-style-type: none"> <li>• <i>Enterprise Group.</i> HPE's Enterprise Group ("EG") provides its customers with the cutting-edge technology infrastructure they need to optimize traditional IT while building a secure, cloud-enabled and mobile-ready future.</li> <li>• <i>Software.</i> HPE's Software allows its customers to automate IT operations to simplify, accelerate and secure business processes and drives the analytics that turn raw data into actionable knowledge.</li> <li>• <i>Enterprise Services.</i> HPE's Enterprise Services ("ES") brings all of its solutions together through its consulting and support professionals to deliver superior, comprehensive results for its customers.</li> <li>• <i>Hewlett Packard Financial Services ("FS").</i> FS enables flexible IT consumption models, financial architectures and customized investment solutions for HPE's customers.</li> </ul>		

- *Corporate Investments.* Corporate Investments includes Hewlett Packard Enterprise Labs and certain business incubation projects, among others.

### Segment Operating Results

	Enterprise Group	Enterprise Services	Software	Financial Services	Corporate Investments	Total
	In millions					
<b>2014</b>						
Net revenue	\$ 26,812	\$ 21,297	\$ 3,609	\$ 3,401	\$ 4	\$ 55,123
Intersegment net revenue and other	915	1,101	324	97	—	2,437
Total segment net revenue	<u>\$ 27,727</u>	<u>\$ 22,398</u>	<u>\$ 3,933</u>	<u>\$ 3,498</u>	<u>\$ 4</u>	<u>\$ 57,560</u>
<b>2013</b>						
Net revenue	\$ 27,031	\$ 23,059	\$ 3,716	\$ 3,557	\$ 8	\$ 57,371
Intersegment net revenue and other	958	1,021	319	72	—	2,370
Total segment net revenue	<u>\$ 27,989</u>	<u>\$ 24,080</u>	<u>\$ 4,035</u>	<u>\$ 3,629</u>	<u>\$ 8</u>	<u>\$ 59,741</u>
<b>2012</b>						
Net revenue	\$ 28,375	\$ 25,067	\$ 3,822	\$ 3,770	\$ 8	\$ 61,042
Intersegment net revenue and other	1,213	906	304	49	—	2,472
Total segment net revenue	<u>\$ 29,588</u>	<u>\$ 25,973</u>	<u>\$ 4,126</u>	<u>\$ 3,819</u>	<u>\$ 8</u>	<u>\$ 63,514</u>

<b>B.4a</b>	<b>Recent trends</b>	<p>The process of completing the separation described earlier in Element B.3 has been and is expected to continue to be time-consuming and involves significant costs and expenses. For example, during the nine months ended July 31, 2015, HPE recorded nonrecurring separation costs of \$458 million, which were primarily related to third-party consulting, contractor fees and other incremental costs directly associated with the separation process. As of July 31, 2015, HPE expects to incur future separation costs of up to \$0.6 billion during the remainder of fiscal 2015 and in fiscal 2016. In addition, HPE expects to make foreign tax payments of approximately \$0.6 billion arising from the separation over this same time period, with subsequent tax credit amounts expected over later years. As of July 31, 2015, HPE expects future cash payments of up to \$0.9 billion in connection with its separation costs and foreign tax payments, which are expected to be paid in the remainder of fiscal 2015 and in fiscal 2016, with subsequent tax credit amounts expected over later years. As of July 31, 2015, HPE also expects separation-related capital expenditures of approximately \$60 million in the remainder of fiscal 2015. Additionally, following the separation, each of HP Inc. and HPE must maintain an independent corporate overhead appropriate for a diverse global company with various business units in many parts of the world. Due to the loss of economies of scale and the necessity of establishing independent functions for each company, the separation of HP Co. into two independent companies is expected to result in total dis-synergies of approximately \$400 million to \$450 million annually, which costs are primarily associated with corporate functions such as finance, legal, IT, real estate and human resources. Based on the expected similar sizes of the resulting organizations and the need for each of HP Inc. and HPE to establish independent corporate functions, such dis-synergies are expected to be divided approximately equally between HP Inc. and</p>
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		<p>HPE.</p> <p>To accomplish the separation, HP Co. will distribute all of the outstanding Shares to HP Co. stockholders on a pro rata basis in a distribution intended to be tax-free to HP Co. stockholders for U.S. federal income tax purposes.</p> <p>On November 1, 2015, the distribution date, each HP Co. stockholder will be entitled to one Share for each HP Co. common share held at the close of business on the Record Date for the distribution, as described below.</p> <p>The separation is subject to certain conditions, including, among others, one or more opinions with respect to certain U.S. federal income tax matters relating to the separation. HP Co.'s board of directors approved the separation on October 2, 2015.</p> <p>On September 14, 2015, Parent's Board of Directors approved a restructuring plan (the "2015 Plan") in connection with the separation which will be implemented through fiscal 2018. As part of the 2015 Plan, HPE expects up to approximately 30,000 employees to exit the Company by the end of 2018. These workforce reductions are primarily associated with its Enterprise Services segment. The changes to the workforce will vary by country, based on local legal requirements and consultations with employee works councils and other employee representatives, as appropriate. The Company estimates that it will incur aggregate pre-tax charges through fiscal 2018 of approximately \$2.7 billion in connection with the 2015 Plan, of which approximately \$2.2 billion relates to workforce reductions and approximately \$500 million primarily relates to real estate consolidation. HPE does not intend to exit any lines of business in connection with the 2015 Plan nor do it expects the 2015 Plan to adversely impact future revenues as the related capabilities will be migrated to lower cost regions.</p> <p>On October 9, 2015, the Company completed its previously announced offering of \$14.6 billion in aggregate principal amount of senior notes and floating notes at market rates with maturities ranging from two to thirty years from the date of issuance. HPE distributed the approximately \$14.53 billion of net proceeds from the notes offering to the Parent.</p> <p>On October 13, 2015, HPE announced that its Board of Directors (the "Board") has approved a \$3 billion share repurchase program. The program does not have an expiration date.</p>
<b>B.5</b>	<b>Organizational structure</b>	<p>Until the distribution of the Shares referred to in Element B.3 above, HPE is a wholly owned subsidiary of HP Co. Following the distribution, HPE will be the parent company of the HPE group. HPE holds, directly or indirectly, 100% of the capital and voting rights of each of its significant subsidiaries. As of October 6, 2015, there were 110 principal subsidiaries of the Company.</p>
<b>B.6</b>	<b>Interests in HPE's capital or voting rights</b>	<p>Not applicable. Pursuant to its Q&amp;A, ESMA considers that Item 18 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.</p>



**B.7 Financial information concerning the enterprise technology infrastructure, software, services and financing business of HP Co. (substantially all of which will be transferred to HPE in connection with the separation and distribution) for the fiscal years ended October 31, 2014, 2013 and 2012 and for the nine-month periods ended July 31, 2015 and 2014**

The selected financial data of the enterprise technology infrastructure, software, services and financing business of HP Co. (substantially all of which will be transferred to HPE in connection with the separation and distribution) set out in this prospectus have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP"). They are derived from the combined financial statements of the enterprise technology infrastructure, software, services and financing business of HP Co.

**SELECTED THREE-YEAR FINANCIAL DATA**  
(In millions)

**Combined Statements of Earnings**

	<b>Fiscal years ended October 31</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Net revenue:</b>			
Products	\$ 19,171	\$ 19,383	\$ 20,459
Services	35,551	37,541	40,121
Financing income	401	447	462
<b>Total net revenue</b>	<b>55,123</b>	<b>57,371</b>	<b>61,042</b>
<b>Costs and expenses:</b>			
Cost of products	12,394	12,360	12,462
Cost of services	26,815	28,958	31,364
Financing interest	277	312	317
Research and development	2,197	1,956	2,120
Selling, general and administrative	8,717	8,601	8,678
Amortization of intangible assets	906	1,228	1,641
Impairment of goodwill and intangible assets	—	—	16,808
Restructuring charges	1,471	983	1,756
Acquisition-related charges	11	21	35
<b>Total operating expenses</b>	<b>52,788</b>	<b>54,419</b>	<b>75,181</b>
<b>Earnings (loss) from operations</b>	<b>2,335</b>	<b>2,952</b>	<b>(14,139)</b>
Interest and other, net	(91)	(81)	(175)
<b>Earnings (loss) before taxes</b>	<b>2,244</b>	<b>2,871</b>	<b>(14,314)</b>
Provision for taxes	(596)	(820)	(447)
<b>Net earnings (loss)</b>	<b>\$ 1,648</b>	<b>\$ 2,051</b>	<b>\$ (14,761)</b>

**Summary Combined Balance Sheets**

	Fiscal years ended October 31		
	2014	2013	2012
Total assets	\$ 65,071	\$ 68,775	\$ 71,702
Long-term debt	\$ 485	\$ 617	\$ 702
Total debt	\$ 1,379	\$ 1,675	\$ 2,923

**SELECTED NINE-MONTH FINANCIAL DATA**  
(In millions)

**Condensed Combined Statement of Earnings**

	Nine months ended July 31	
	2015	2014
	(unaudited)	
Net revenue:		
Products	\$ 14,190	\$ 14,030
Services	24,196	26,714
Financing income	273	306
<b>Total net revenue</b>	<b>38,659</b>	<b>41,050</b>
Costs and expenses:		
Cost of products	9,446	9,119
Cost of services	18,077	20,389
Financing interest	182	211
Research and development	1,686	1,649
Selling, general and administrative	5,987	6,541
Amortization of intangible assets	632	700
Restructuring charges	404	924
Acquisition-related charges	69	8
Separation costs	458	—
Defined benefit plan settlement charges	178	—
Impairment of data center assets	136	—
<b>Total operating expenses</b>	<b>37,255</b>	<b>39,541</b>
<b>Earnings from operations</b>	<b>1,404</b>	<b>1,509</b>
Interest and other, net	(44)	(63)
<b>Earnings before taxes</b>	<b>1,360</b>	<b>1,446</b>
Provision for taxes	(284)	(314)
<b>Net earnings</b>	<b>\$ 1,076</b>	<b>\$ 1,132</b>

<b>Summary Combined Balance Sheets</b>		
	<u>July 31, 2015</u> (unaudited)	<u>October 31, 2014</u>
Total current assets	\$ 22,793	\$ 22,031
Total assets	\$ 68,308	\$ 65,071
Total current liabilities	\$ 18,906	\$ 19,760
Long-term debt	\$ 493	\$ 485
Parent company investment	\$ 42,568	\$ 39,024
Total equity	\$ 40,726	\$ 37,172

  

<b>B.8</b>	<b>Pro forma financial information</b>	Not applicable. Pursuant to its Q&A, ESMA considers that Item 20.2 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.
<b>B.9</b>	<b>Profit forecast</b>	Not applicable. This prospectus does not contain any profit forecast.
<b>B.10</b>	<b>Qualifications in the audit report on the historical financial information</b>	Not applicable. There are no such qualifications in the auditors' report.
<b>B.11</b>	<b>Working capital statement</b>	Not applicable. HPE's working capital is sufficient for its present requirements.

### SECTION C — SECURITIES

<b>C.1</b>	<b>Type and class of the securities being offered, including the security identification code</b>	<p>The Shares offered under the ESPP can be either authorized but unissued Shares or Shares acquired by the Company as treasury shares, including Shares purchased in the open market or in private transactions.</p> <p>The Shares will be listed on the NYSE under the symbol "HPE." The CUSIP number for the Shares is 42824C 109.</p>
<b>C.2</b>	<b>Currency of the securities issue</b>	The United States Dollar is the currency of the securities issue.
<b>C.3</b>	<b>Number of shares issued</b>	HPE's authorized capital stock consists of 9,600,000,000 Shares, and 300,000,000 shares of preferred stock, par value \$0.01 per share, all of which shares of preferred stock are undesignated. The Board may establish the rights and preferences of the preferred stock from time to time. Immediately following the distribution, based on the number of HP Co. common shares outstanding as of September 30, 2015, HPE expects that approximately 1,878 billion Shares will be issued and outstanding and that no shares of preferred stock will be issued and outstanding.

C4.	<b>Rights attached to the securities</b>	<p>Eligible employees who enroll and participate in the ESPP are referred to as the "Participants."</p> <p>No Participant shall have any voting, dividend, or other shareholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participant. Following such purchase and delivery, the Participant shall be entitled to the rights attached to the Shares, as further described below:</p> <p><b>Dividend Rights.</b> Subject to any preferential rights of any outstanding preferred stock, holders of the Shares will be entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of funds legally available for that purpose.</p> <p><b>Voting Rights.</b> Each holder of the Shares will be entitled to one vote for each Share on all matters to be voted upon by the common stockholders, and there will be no cumulative voting rights.</p> <p><b>Right to Receive Liquidation Distributions.</b> If there is a liquidation, dissolution or winding up of HPE, holders of the Shares would be entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.</p> <p><b>No Preemptive, Redemptive or Conversion Provisions.</b> Holders of the Shares will have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the Shares. After the distribution, all outstanding Shares will be fully paid and non-assessable. The rights, preferences and privileges of the holders of the Shares are subject to, and may be adversely affected by, the rights of the holders of Shares of any series of preferred stock that HPE may designate and issue in the future.</p>
C.5	<b>Transferability restrictions</b>	Not applicable. The Shares in this offering will be registered on Form S-8 with the U.S. Securities and Exchange Commission (the "SEC") and will be generally freely transferable.
C.6	<b>Admission to trading on a regulated market</b>	As noted in Element C.1 above, the Shares will be listed on the NYSE.
C.7	<b>Dividend policy</b>	<p>Following the separation, HPE and HP Inc. are each expected to maintain a dividend that, together, will be similar to that of HP Co. prior to the separation. HPE expects that HP Inc. will maintain a higher dividend than HPE initially. HPE currently expects the Company to return at least 50% of free cash flow in fiscal year 2016 to stockholders through approximately \$400 million in dividends and the remainder in share repurchases. Dividend yields will be dependent on the trading price of the respective companies' common stock following the separation.</p> <p>The payment of any dividends in the future, and the timing and amount thereof, is within the discretion of HPE's Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as HPE's financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in its debt, industry practice, legal requirements, regulatory constraints and other factors that the</p>

		Board deems relevant. HPE's ability to pay dividends will depend on its ongoing ability to generate cash from operations and on its access to the capital markets. HPE cannot guarantee that it will pay a dividend in the future or continue to pay any dividends if and when it commences paying dividends.
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SECTION D — RISKS		
D.1	<b>Key risks related to HPE or its industry</b>	<p>Set forth below are summaries of the key risks, uncertainties and other factors that may affect HPE's future results. The risks and uncertainties described below are not the only ones facing HPE.</p> <p><b><i>Risks Related to HPE's Business</i></b></p> <ul style="list-style-type: none"> <li>• If HPE is unsuccessful at addressing its business challenges, its business and results of operations may be adversely affected and its ability to invest in and grow its business could be limited.</li> <li>• HPE operates in an intensely competitive industry and competitive pressures could harm its business and financial performance.</li> <li>• If HPE cannot successfully execute its go-to-market strategy and continue to develop, manufacture and market innovative products, services and solutions, its business and financial performance may suffer.</li> <li>• Recent global, regional and local economic weakness and uncertainty could adversely affect HPE's business and financial performance.</li> <li>• Due to the international nature of its business, political or economic changes or other factors could harm HPE's business and financial performance.</li> <li>• HPE is exposed to fluctuations in foreign currency exchange rates.</li> </ul> <p><b><i>Risks Related to the Separation</i></b></p> <ul style="list-style-type: none"> <li>• The Parent's plan to separate into two independent publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, and will involve significant time and expense, which could disrupt or adversely affect its business.</li> <li>• The combined post-separation value of HP Inc. and HPE common stock may not equal or exceed the pre-separation value of HP Co. common stock.</li> <li>• The separation may not achieve some or all of the anticipated benefits.</li> <li>• If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, HP Inc., HPE and HP Co. stockholders could be subject to significant tax liabilities, and, in certain circumstances,</li> </ul>

		<p>HPE could be required to indemnify HP Inc. for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.</p> <ul style="list-style-type: none"> <li>• HPE may not be able to engage in desirable strategic or capital-raising transactions following the separation.</li> <li>• HPE has no history of operating as an independent company and it expects to incur increased administrative and other costs following the separation by virtue of its status as an independent public company. HPE's historical and pro forma financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results.</li> </ul>
<b>D.3</b>	<b>Key risks related to the shares</b>	<ul style="list-style-type: none"> <li>• HPE cannot be certain that an active trading market for its Shares will develop or be sustained after the separation, and following the separation, HPE's stock price may fluctuate significantly.</li> <li>• Shares generally will be eligible for resale following the distribution, which may cause HPE's stock price to decline.</li> <li>• HPE cannot guarantee the payment of dividends on its Shares, or the timing or amount of any such dividends.</li> <li>• Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.</li> </ul>

### SECTION E — OFFER

<b>E.1</b>	<b>Net proceeds</b>	<p>Assuming that the approximately 45,144 eligible employees<sup>2</sup> in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom would contribute the maximum amount toward the purchase of the maximum number of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$47,512.654 each, the gross proceeds of HPE in connection with the offer under the ESPP pursuant to this prospectus would be \$2,144,911,252.176. After deducting legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$2,144,671,252.176.</p>
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<sup>2</sup> As of September 29, 2015, there were 506 eligible employees in Austria, 1,279 eligible employees in Belgium, 3,523 eligible employees in Bulgaria, 910 eligible employees in the Czech Republic, 263 eligible employees in Denmark, 412 eligible employees in Finland, 3,383 eligible employees in France, 6,534 eligible employees in Germany, 152 eligible employees in Greece, 1,078 eligible employees in Hungary, 1,197 eligible employees in Ireland, 3,738 eligible employees in Italy, 1,399 eligible employees in the Netherlands, 217 eligible employees in Norway, 3,549 eligible employees in Poland, 269 eligible employees in Portugal, 2,190 eligible employees in Romania, 1,706 eligible employees in Slovakia, 880 eligible employees in Sweden and 11,959 eligible employees in the United Kingdom.

E.2a	<b>Reasons for the offer and use of proceeds</b>	<p>The purpose of the ESPP is to provide an opportunity for employees of HPE and its designated affiliates to purchase Shares and thereby have an additional incentive to contribute to the prosperity of HPE.</p> <p>The net proceeds will be used for general corporate purposes.</p>
E.3	<b>Description of the terms and conditions of the offer</b>	<p>HPE will offer eligible employees of the Company and certain of its subsidiaries residing in the EEA the right to purchase Shares under the ESPP.</p> <p>The offering of the ESPP may be considered a public offering of securities pursuant to the Prospectus Directive in the following EEA countries, subject to the applicable legislation in each country: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom. The offering of the ESPP also may be made in the following EEA countries: Estonia, Latvia, Lithuania, Luxembourg and Spain. However, such offering is not considered a public offering of securities and/or the obligation to publish a prospectus does not apply to the offering under the legislation implementing the Prospectus Directive in such countries. The total amount of the offering of the ESPP in the EEA is more than EUR 5 million in consideration over a 12-month period.</p> <p>This prospectus will be made available in printed form to employees of the subsidiaries of HPE based in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom, where the offering of the ESPP may be considered a public offering of securities, at the respective head offices of their employers.</p> <p>The ESPP was established to provide eligible employees of HPE and certain of its subsidiaries and affiliates (each, a “Designated Company”), some of which are located in the EEA, with the opportunity to purchase Shares at a discount. The ESPP is administered by a committee of the Board (the “Committee”) consisting of at least two members of the Board.</p> <p>To participate in the ESPP, the employee must be regularly employed by HPE or a Designated Company on the first trading day of an Offering Period (as defined below) (or, for a new Participant, the first trading day of a Purchase Period (as defined below)) (the “Entry Date”). No Participant may be granted a right to purchase Shares under the ESPP at a rate which exceeds twenty-five thousand dollars (\$25,000) of the fair market value of such Shares (determined at the time such right is granted) for each calendar year in which such right is outstanding at any time. Certain other limitations may apply.</p> <p>The ESPP has consecutive purchase periods of approximately six months (each, a “Purchase Period”). Further, the ESPP has consecutive offering periods (each, an “Offering Period”), which can be up to twenty-four months under the ESPP but which are currently six months long, so that each six-month Purchase Period coincides with a six month Offering Period. As currently implemented, the Purchase</p>

		<p>Period begins on the first trading day on or after November 1 and May 1. Each of these Purchase Periods terminates on the last trading day of the Purchase Period (the “Purchase Date”) on or before April 30 and October 31, respectively. However, in connection with the planned separation, the Committee approved a special initial Offering Period which will start on December 1, 2015. In order to participate in this special initial Purchase Period that begins on December 1, 2015, eligible employees must enroll by no later than November 30, 2015. But for the special initial Offering Period, the terms of the ESPP will not be modified as a consequence of the planned separation.</p> <p>Eligible employees may enroll in the ESPP and thereby become “Participants” by completing the electronic or other enrollment procedure established by the Company and completing and submitting any additional documentation (collectively, the “Enrollment Documents”) that may be required by the Company.</p> <p>Participants authorize payroll deductions or other approved contributions permitted by the Company (“Contributions”) (between 1% and 10%) of their compensation, which funds are used to exercise the Participant’s right to purchase on the Purchase Date the number of whole Shares which the accumulated Contributions credited to the Participant’s account will purchase. On any relevant Purchase Date, the purchase price per Share (“Purchase Price”) is 95% of the fair market value of a Share on such Purchase Date.</p> <p>As of November 1, 2015, there will be 80 million Shares which may be issued under the ESPP.</p>
<b>E.4</b>	<b>Description of material interest to the offer including conflict of interests</b>	Not applicable. There are no such interests.
<b>E.5</b>	<b>Name of the entity offering to sell the security</b>	Hewlett Packard Enterprise Company.



<b>E.6</b>	<b>Maximum dilution</b>	Assuming that the Shares offered under the ESPP pursuant to this prospectus to the approximately 45,144 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom would all be newly issued, the holdings of a shareholder of HPE holding 1% of the total outstanding share capital of HPE as of the expected distribution date of November 1, 2015, that is 18,780,000 Shares based on the number of HP Co. common shares outstanding as of September 30, 2015, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:		
			<b>Percentage of the total outstanding Shares</b>	<b>Total number of outstanding Shares</b>
		Before the issuance of Shares under the ESPP (as of November 1, 2015)	1.00%	1,878,000,000
		After issuance of 135,522,288 Shares under the ESPP	0.933%	2,013,522,288
<b>E.7</b>	<b>Estimated expenses charged to the investor</b>	Not applicable. There are no such expenses.		

## THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY

## PART II — PROSPECTUS

**SECTION A — RISK FACTORS**

*You should carefully consider the following risks and other information in the Amendment No. 5 to Information Statement on Form 10 filed with the SEC on October 7, 2015 (the "Information Statement") in evaluating HPE and its Shares. Any of the following risks could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into three groups: risks related to our business, risks related to the separation and risks related to the Shares.*

**I. RISKS RELATED TO HPE'S BUSINESS**

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

We are in the process of addressing many challenges facing our business. One set of challenges relates to dynamic and accelerating market trends, such as the market shift to cloud-related IT infrastructure, software and services, and the growth in software-as-a-service ("SaaS") business models. Certain of our legacy hardware businesses face challenges as customers migrate to cloud-based offerings and reduce their purchases of hardware products. Additionally, our legacy software business derives a large portion of its revenues from upfront license sales, some of which over time can be expected to shift to SaaS. A second set of challenges relates to changes in the competitive landscape. Our major competitors are expanding their product and service offerings with integrated products and solutions; our business-specific competitors are exerting increased competitive pressure in targeted areas and are entering new markets; our emerging competitors are introducing new technologies and business models; and our alliance partners in some businesses are increasingly becoming our competitors in others. A third set of challenges relates to business model changes and our go-to-market execution. For example, we may fail to develop innovative products and services, maintain the manufacturing quality of our products, manage our distribution network or successfully market new products and services, any of which could adversely affect our business and financial condition.

In addition, we are facing a series of significant macroeconomic challenges, including weakness across many geographic regions, particularly in the United States, Central and Eastern Europe and Russia, and certain countries and businesses in Asia. We may experience delays in the anticipated timing of activities related to our efforts to address these challenges and higher than expected or unanticipated execution costs. In addition, we are vulnerable to increased risks associated with our efforts to address these challenges given our large and diverse portfolio of businesses, the broad range of geographic regions in which we and our customers and partners operate, and the ongoing integration of acquired businesses. If we do not succeed in these efforts, or if these efforts are more costly or time-consuming than expected, our business and results of operations may be adversely affected, which could limit our ability to invest in and grow our business.

***We operate in an intensely competitive industry and competitive pressures could harm our business and financial performance.***

We encounter aggressive competition from numerous and varied competitors in all areas of our business, and our competitors have targeted and are expected to continue targeting our key market segments. We compete primarily on the basis of our technology, innovation, performance, price, quality, reliability,

brand, reputation, distribution, range of products and services, ease of use of our products, account relationships, customer training, service and support, security, and the availability of our application software and IT infrastructure offerings. If our products, services, support and cost structure do not enable us to compete successfully based on any of those criteria, our results of operations and business prospects could be harmed.

We have a large portfolio of products and services and must allocate our financial, personnel and other resources across all of our products and services while competing with companies that have smaller portfolios or specialize in one or more of our product or service lines. As a result, we may invest less in certain areas of our business than our competitors do, and our competitors may have greater financial, technical and marketing resources available to them compared to the resources allocated to our products and services that compete against their products and services. Industry consolidation may also affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we operate. Additionally, our competitors may affect our business by entering into exclusive arrangements with our existing or potential customers or suppliers.

Companies with whom we have alliances in certain areas may be or become our competitors in other areas. In addition, companies with whom we have alliances also may acquire or form alliances with our competitors, which could reduce their business with us. If we are unable to effectively manage these complicated relationships with alliance partners, our business and results of operations could be adversely affected.

We face aggressive price competition and may have to continue lowering the prices of many of our products and services to stay competitive, while at the same time trying to maintain or improve our revenue and gross margin. In addition, competitors who have a greater presence in some of the lower-cost markets in which we compete, or who can obtain better pricing, more favorable contractual terms and conditions or more favorable allocations of products and components during periods of limited supply, may be able to offer lower prices than we are able to offer. Our cash flows, results of operations and financial condition may be adversely affected by these and other industry-wide pricing pressures.

Because our business model is based on providing innovative and high-quality products, we may spend a proportionately greater amount of our revenues on research and development than some of our competitors. If we cannot proportionately decrease our cost structure (apart from research and development expenses) on a timely basis in response to competitive price pressures, our gross margin and, therefore, our profitability could be adversely affected. In addition, if our pricing and other facets of our offerings are not sufficiently competitive, or if there is an adverse reaction to our product decisions, we may lose market share in certain areas, which could adversely affect our financial performance and business prospects.

Even if we are able to maintain or increase market share for a particular product, its financial performance could decline because the product is in a maturing industry or market segment or contains technology that is becoming obsolete. For example, our Storage business unit is experiencing the effects of a market transition towards converged products and solutions, which has led to a decline in demand for our traditional storage products. In addition, the performance of our Business Critical Systems business unit has been affected by the decline in demand for UNIX servers and concerns about the development of new versions of software to support our Itanium-based products. Financial performance could decline due to increased competition from other types of products. For example, the development of cloud-based solutions has reduced demand for some of our existing hardware products.

***If we cannot successfully execute our go-to-market strategy and continue to develop, manufacture and market innovative products, services and solutions, our business and financial performance may suffer.***

Our long-term strategy is focused on leveraging our existing portfolio of hardware, software and services as we adapt to a new hybrid model of IT delivery and consumption driven by the growing adoption of cloud computing and increased demand for integrated IT solutions. To successfully execute this strategy,

we must continue to pivot toward the delivery of integrated IT solutions and continue to invest and expand in cloud computing, enterprise security, big data, applications and mobility. Any failure to successfully execute this strategy, including any failure to invest sufficiently in strategic growth areas, could adversely affect our business, results of operations and financial condition.

The process of developing new high-technology products, software, services and solutions and enhancing existing hardware and software products, services and solutions is complex, costly and uncertain, and any failure by us to anticipate customers' changing needs and emerging technological trends accurately could significantly harm our market share, results of operations and financial condition. For example, as the transition to an environment characterized by cloud-based computing and software being delivered as a service progresses, we must continue to successfully develop and deploy cloud-based solutions for our customers. We must make long-term investments, develop or obtain and protect appropriate intellectual property, and commit significant research and development and other resources before knowing whether our predictions will accurately reflect customer demand for our products, services and solutions. Any failure to accurately predict technological and business trends, control research and development costs or execute our innovation strategy could harm our business and financial performance. Our research and development initiatives may not be successful in whole or in part, including research and development projects which we have prioritized with respect to funding and/or personnel.

After we develop a product, we must be able to manufacture appropriate volumes quickly while also managing costs and preserving margins. To accomplish this, we must accurately forecast volumes, mixes of products and configurations that meet customer requirements, and we may not succeed at doing so within a given product's lifecycle or at all. Any delay in the development, production or marketing of a new product, service or solution could result in us not being among the first to market, which could further harm our competitive position.

For example, our success in our software segment is dependent on our ability to address the market shift to SaaS and other go-to-market execution challenges. To be successful in addressing these challenges, we must improve our go-to-market execution with multiple product delivery models, which better address customer needs and achieve broader integration across our overall product portfolio as we work to capitalize on important market opportunities in cloud computing, big data, enterprise security, applications and mobility. Improvements in SaaS delivery, however, do not guarantee that we will achieve increased revenue or profitability. SaaS solutions often have lower margins than other software solutions throughout the subscription period and customers may elect to not renew their subscriptions upon expiration of their agreements with us.

***If we cannot continue to produce quality products and services, our reputation, business and financial performance may suffer.***

In the course of conducting our business, we must adequately address quality issues associated with our products, services and solutions, including defects in our engineering, design and manufacturing processes and unsatisfactory performance under service contracts, as well as defects in third-party components included in our products and unsatisfactory performance or even malicious acts by third-party contractors or subcontractors or their employees. In order to address quality issues, we work extensively with our customers and suppliers and engage in product testing to determine the causes of problems and to develop and implement appropriate solutions. However, the products, services and solutions that we offer are complex, and our regular testing and quality control efforts may not be effective in controlling or detecting all quality issues or errors, particularly with respect to faulty components manufactured by third parties. If we are unable to determine the cause, find an appropriate solution or offer a temporary fix (or "patch") to address quality issues with our products, we may delay shipment to customers, which would delay revenue recognition and receipt of customer payments and could adversely affect our revenue, cash flows and profitability. In addition, after products are delivered, quality issues may require us to repair or replace such products. Addressing quality issues can be expensive and may result in additional warranty, repair, replacement and other costs, adversely affecting our financial performance. If new or existing customers have difficulty operating our products or are dissatisfied with

our services or solutions, our results of operations could be adversely affected, and we could face possible claims if we fail to meet our customers' expectations. In addition, quality issues can impair our relationships with new or existing customers and adversely affect our brand and reputation, which could, in turn, adversely affect our results of operations.

***If we fail to manage the distribution of our products and services properly, our business and financial performance could suffer.***

We use a variety of distribution methods to sell our products and services around the world, including third-party resellers and distributors and both direct and indirect sales to enterprise accounts and consumers. Successfully managing the interaction of our direct and indirect channel efforts to reach various potential customer segments for our products and services is a complex process. Moreover, since each distribution method has distinct risks and gross margins, our failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our revenue and gross margins and therefore our profitability.

Our financial results could be materially adversely affected due to distribution channel conflicts or if the financial conditions of our channel partners were to weaken. Our results of operations may be adversely affected by any conflicts that might arise between our various distribution channels or the loss or deterioration of any alliance or distribution arrangement. Moreover, some of our wholesale distributors may have insufficient financial resources and may not be able to withstand changes in business conditions, including economic weakness, industry consolidation and market trends. Many of our significant distributors operate on narrow margins and have been negatively affected by business pressures in the past. Considerable trade receivables that are not covered by collateral or credit insurance are outstanding with our distribution channel partners. Revenue from indirect sales could suffer, and we could experience disruptions in distribution, if our distributors' financial conditions, abilities to borrow funds in the credit markets or operations weaken.

Our inventory management is complex, as we continue to sell a significant mix of products through distributors. We must manage both owned and channel inventory effectively, particularly with respect to sales to distributors, which involves forecasting demand and pricing challenges. Distributors may increase orders during periods of product shortages, cancel orders if their inventory is too high or delay orders in anticipation of new products. Distributors also may adjust their orders in response to the supply of our products and the products of our competitors and seasonal fluctuations in end-user demand. Our reliance upon indirect distribution methods may reduce our visibility into demand and pricing trends and issues, and therefore make forecasting more difficult. If we have excess or obsolete inventory, we may have to reduce our prices and write down inventory. Moreover, our use of indirect distribution channels may limit our willingness or ability to adjust prices quickly and otherwise to respond to pricing changes by competitors. We also may have limited ability to estimate future product rebate redemptions in order to price our products effectively.

***Recent global, regional and local economic weakness and uncertainty could adversely affect our business and financial performance.***

Our business and financial performance depend significantly on worldwide economic conditions and the demand for technology hardware, software and services in the markets in which we compete. Recent economic weakness and uncertainty in various markets throughout the world have resulted, and may result in the future, in decreased revenue, gross margin, earnings or growth rates and in increased expenses and difficulty in managing inventory levels. For example, we are continuing to experience macroeconomic weakness across many geographic regions, particularly in the Europe, the Middle East and Africa region, China and certain other high-growth markets. Ongoing U.S. federal government spending limits may continue to reduce demand for our products, services and solutions from organizations that receive funding from the U.S. government, and could negatively affect macroeconomic conditions in the United States, which could further reduce demand for our products, services and solutions. Economic weakness and uncertainty may adversely affect demand for our products, services and solutions, may result in increased expenses due to higher allowances for doubtful accounts and

potential goodwill and asset impairment charges, and may make it more difficult for us to make accurate forecasts of revenue, gross margin, cash flows and expenses.

Economic weakness and uncertainty could cause our expenses to vary materially from our expectations. Any financial turmoil affecting the banking system and financial markets or any significant financial services institution failures could negatively impact our treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice in times of market volatility and disruption. Poor financial performance of asset markets combined with lower interest rates and the adverse effects of fluctuating currency exchange rates could lead to higher pension and post-retirement benefit expenses. Interest and other expenses could vary materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, costs of hedging activities and the fair value of derivative instruments. Economic downturns also may lead to restructuring actions and associated expenses.

***Due to the international nature of our business, political or economic changes or other factors could harm our business and financial performance.***

Sales outside the United States constituted approximately 62% of our net revenue in fiscal 2014. Our future business and financial performance could suffer due to a variety of international factors, including:

- ongoing instability or changes in a country's or region's economic or political conditions, including inflation, recession, interest rate fluctuations and actual or anticipated military or political conflicts;
- longer collection cycles and financial instability among customers;
- trade regulations and procedures and actions affecting production, pricing and marketing of products, including policies adopted by countries that may champion or otherwise favor domestic companies and technologies over foreign competitors;
- local labor conditions and regulations, including local labor issues faced by specific suppliers and original equipment manufacturers ("OEMs");
- managing our geographically dispersed workforce;
- changes in the international, national or local regulatory and legal environments;
- differing technology standards or customer requirements;
- import, export or other business licensing requirements or requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from shipping products to particular countries or markets, affect our ability to obtain favorable terms for components, increase our operating costs or lead to penalties or restrictions;
- difficulties associated with repatriating earnings generated or held abroad in a tax-efficient manner, and changes in tax laws; and
- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry for our products and shipments.

The factors described above also could disrupt our product and component manufacturing and key suppliers located outside of the United States. For example, we rely on suppliers in Asia for product assembly and manufacture.

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

***We are exposed to fluctuations in foreign currency exchange rates.***

Currencies other than the U.S. dollar, including the euro, the British pound, Chinese yuan (renminbi) and the Japanese yen, can have an impact on our results as expressed in U.S. dollars. In particular, the economic uncertainties relating to European sovereign and other debt obligations and the related European financial restructuring efforts may cause the value of the euro to fluctuate. Currency volatility also contributes to variations in our sales of products and services in impacted jurisdictions. For example, in the event that one or more European countries were to replace the euro with another currency, our sales into such countries, or into Europe generally, would likely be adversely affected until stable exchange rates are established. Accordingly, fluctuations in foreign currency exchange rates, most notably the strengthening of the U.S. dollar against the euro, could adversely affect our revenue growth in future periods. In addition, currency variations can adversely affect margins on sales of our products in countries outside of the United States and margins on sales of products that include components obtained from suppliers located outside of the United States.

From time to time, we may use forward contracts and options designated as cash flow hedges to protect against foreign currency exchange rate risks. The effectiveness of our hedges depends on our ability to accurately forecast future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and highly volatile exchange rates. We may incur significant losses from our hedging activities due to factors such as demand volatility and currency variations. In addition, certain or all of our hedging activities may be ineffective, may expire and not be renewed or may not offset any or more than a portion of the adverse financial impact resulting from currency variations. Losses associated with hedging activities also may impact our revenue and to a lesser extent our cost of sales and financial condition.

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

Our revenue, gross margin and profit vary among our diverse products and services, customer groups and geographic markets and therefore will likely be different in future periods than our current results. Our revenue depends on the overall demand for our products and services. Delays or reductions in IT spending by our customers or potential customers could have a material adverse effect on demand for our products and services, which could result in a significant decline in revenue. In addition, revenue declines in some of our businesses, particularly our services businesses, may affect revenue in our other businesses as we may lose cross-selling opportunities. Overall gross margins and profitability in any given period are dependent partially on the product, service, customer and geographic mix reflected in that period's net revenue. Competition, lawsuits, investigations, increases in component and manufacturing costs that we are unable to pass on to our customers, component supply disruptions and other risks affecting those businesses therefore may have a significant impact on our overall gross margin and profitability. Certain segments have a higher fixed cost structure and more variation in gross margins across their business units and product portfolios than others and may therefore experience significant operating profit volatility on a quarterly or annual basis. In addition, newer geographic markets may be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, and we may have difficulty establishing and maintaining the operating infrastructure necessary to support the high growth rate associated with some of those markets. Market trends, industry shifts, competitive pressures, commoditization of products, increased component or shipping costs, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins of certain segments in a given period, which may lead to adjustments to our operations. Moreover, our efforts to

address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period. See also the risk factor below entitled “We have no history of operating as an independent company and we expect to incur increased administrative and other costs following the separation by virtue of our status as an independent public company. Our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.”

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

Our operations depend on our ability to anticipate our needs for components, products and services, as well as our suppliers’ ability to deliver sufficient quantities of quality components, products and services at reasonable prices and in time for us to meet critical schedules for the delivery of our own products and services. Given the wide variety of systems, products and services that we offer, the large number of our suppliers and contract manufacturers that are located around the world, and the long lead times required to manufacture, assemble and deliver certain components and products, problems could arise in production, planning and inventory management that could seriously harm our business. In addition, our ongoing efforts to optimize the efficiency of our supply chain could cause supply disruptions and be more expensive, time-consuming and resource-intensive than expected. Furthermore, certain of our suppliers may decide to discontinue conducting business with us. Other supplier problems that we could face include component shortages, excess supply, risks related to the terms of our contracts with suppliers, risks associated with contingent workers, and risks related to our relationships with single-source suppliers, each of which is described below.

- *Component shortages.* We may experience a shortage of, or a delay in receiving, certain components as a result of strong demand, capacity constraints, supplier financial weaknesses, the inability of suppliers to borrow funds in the credit markets, disputes with suppliers (some of whom are also our customers), disruptions in the operations of component suppliers, other problems experienced by suppliers or problems faced during the transition to new suppliers. If shortages or delays persist, the price of certain components may increase, we may be exposed to quality issues, or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to build products or provide services in a timely manner in the quantities needed or according to our specifications. Accordingly, our business and financial performance could suffer if we lose time-sensitive sales, incur additional freight costs or are unable to pass on price increases to our customers. If we cannot adequately address supply issues, we might have to reengineer some product or service offerings, which could result in further costs and delays.
- *Excess supply.* In order to secure components for our products or services, at times we may make advance payments to suppliers or enter into non-cancelable commitments with vendors. In addition, we may purchase components strategically in advance of demand to take advantage of favorable pricing or to address concerns about the availability of future components. If we fail to anticipate customer demand properly, a temporary oversupply could result in excess or obsolete components, which could adversely affect our business and financial performance.
- *Contractual terms.* As a result of binding long-term price or purchase commitments with vendors, we may be obligated to purchase components or services at prices that are higher than those available in the current market and be limited in our ability to respond to changing market conditions. If we commit to purchasing components or services for prices in excess of the then-current market price, we may be at a disadvantage to competitors who have access to components or services at lower prices, our gross margin could suffer, and we could incur additional charges relating to inventory obsolescence. Any of these developments could adversely affect our future results of operations and financial condition.



- *Contingent workers.* We also rely on third-party suppliers for the provision of contingent workers, and our failure to manage our use of such workers effectively could adversely affect our results of operations. We have been exposed to various legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size of, and costs associated with, the contingent workforce may be subject to additional constraints imposed by local laws.
- *Single-source suppliers.* We obtain a significant number of components from single sources due to technology, availability, price, quality or other considerations. New products that we introduce may utilize custom components obtained from only one source initially until we have evaluated whether there is a need for additional suppliers. Replacing a single-source supplier could delay production of some products as replacement suppliers may be subject to capacity constraints or other output limitations. For some components, such as customized components, alternative sources either may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In addition, we sometimes purchase components from single-source suppliers under short-term agreements that contain favorable pricing and other terms but that may be unilaterally modified or terminated by the supplier with limited notice and with little or no penalty. The performance of such single-source suppliers under those agreements (and the renewal or extension of those agreements upon similar terms) may affect the quality, quantity and price of our components. The loss of a single-source supplier, the deterioration of our relationship with a single-source supplier or any unilateral modification to the contractual terms under which we are supplied components by a single-source supplier could adversely affect our business and financial performance

***Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.***

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, power or water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics or pandemics and other natural or manmade disasters or catastrophic events, for which we are predominantly self-insured. The occurrence of any of these business disruptions could result in significant losses, seriously harm our revenue, profitability and financial condition, adversely affect our competitive position, increase our costs and expenses, and require substantial expenditures and recovery time in order to fully resume operations. Our corporate headquarters and a portion of our research and development activities are located in California, and other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. In addition, our principal worldwide IT data centers are located in the southern United States, making our operations more vulnerable to natural disasters or other business disruptions occurring in that geographical area. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including the Czech Republic, Mexico, Shanghai and Singapore. We also rely on major logistics hubs, primarily in Asia to manufacture and distribute our products, and primarily in the southwestern United States to import products into the Americas region. Our operations could be adversely affected if manufacturing, logistics or other operations in these locations are disrupted for any reason, including natural disasters, IT system failures, military actions or economic, business, labor, environmental, public health, regulatory or political issues. The ultimate impact on us, our significant suppliers and our general infrastructure of being located near locations more vulnerable to the occurrence of the aforementioned business disruptions, such as near major earthquake faults, and being consolidated in certain geographical areas is unknown and remains uncertain.

***Our uneven sales cycle makes planning and inventory management difficult and future financial results less predictable.***

In some of our segments, our quarterly sales often have reflected a pattern in which a disproportionate percentage of each quarter's total sales occurs towards the end of the quarter. This uneven sales pattern

makes predicting revenue, earnings, cash flow from operations and working capital for each financial period difficult, increases the risk of unanticipated variations in our quarterly results and financial condition and places pressure on our inventory management and logistics systems. If predicted demand is substantially greater than orders, there may be excess inventory. Alternatively, if orders substantially exceed predicted demand, we may not be able to fulfill all of the orders received in each quarter and such orders may be cancelled. Depending on when they occur in a quarter, developments such as a systems failure, component pricing movements, component shortages or global logistics disruptions, could adversely impact our inventory levels and results of operations in a manner that is disproportionate to the number of days in the quarter affected.

We experience some seasonal trends in the sale of our products that also may produce variations in our quarterly results and financial condition. For example, sales to governments (particularly sales to the U.S. government) are often stronger in the third calendar quarter, and many customers whose fiscal year is the calendar year spend their remaining capital budget authorizations in the fourth calendar quarter prior to new budget constraints in the first calendar quarter of the following year. European sales are often weaker during the summer months. Typically, our third fiscal quarter is our weakest and our fourth fiscal quarter is our strongest. Many of the factors that create and affect seasonal trends are beyond our control.

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

As part of our business strategy, we may acquire companies or businesses, divest businesses or assets, enter into strategic alliances and joint ventures and make investments to further our business (collectively, “business combination and investment transactions”). For example, in May 2015, we acquired Aruba Networks, Inc., which provides next-generation network access solutions for mobile enterprise. Also in May 2015, we announced a partnership with Tsinghua Holdings Co., Ltd. (“Tsinghua”), the asset management arm of Tsinghua University in China, pursuant to which we will sell to Tsinghua a 51% interest in our wholly owned subsidiary that owns and operates H3C Technologies and our China-based server, storage and technology services businesses for approximately \$2.3 billion, subject to the terms and conditions of the share purchase agreement among Tsinghua, Tsinghua’s subsidiary Unispindour Corporation and our subsidiary H3C Holdings Limited. The transaction with Tsinghua is expected to close near the end of calendar 2015 (potentially after the completion of the separation).

Risks associated with business combination and investment transactions include the following, any of which could adversely affect our revenue, gross margin, profitability and financial results:

- Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations.
- We may not fully realize all of the anticipated benefits of any particular business combination and investment transaction, and the timeframe for realizing the benefits of a particular business combination and investment transaction may depend partially upon the actions of employees, advisors, suppliers, other third parties or market trends.
- Certain prior HP Co. business combination and investment transactions have resulted, and in the future any such transactions by us may result, in significant costs and expenses, including those related to severance pay, early retirement costs, employee benefit costs, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans.
- Any increased or unexpected costs, unanticipated delays or failure to meet contractual obligations could make business combination and investment transactions less profitable or unprofitable.

- Our ability to conduct due diligence with respect to business combination and investment transactions, and our ability to evaluate the results of such due diligence, is dependent upon the veracity and completeness of statements and disclosures made or actions taken by third parties or their representatives.
- Our due diligence process may fail to identify significant issues with the acquired company's product quality, financial disclosures, accounting practices or internal control deficiencies.
- The pricing and other terms of our contracts for business combination and investment transactions require us to make estimates and assumptions at the time we enter into these contracts, and, during the course of our due diligence, we may not identify all of the factors necessary to estimate accurately our costs, timing and other matters or we may incur costs if a business combination is not consummated.
- In order to complete a business combination and investment transaction, we may issue common stock, potentially creating dilution for our existing stockholders.
- We may borrow to finance business combination and investment transactions, and the amount and terms of any potential future acquisition-related or other borrowings, as well as other factors, could affect our liquidity and financial condition.
- Our effective tax rate on an ongoing basis is uncertain, and business combination and investment transactions could adversely impact our effective tax rate.
- An announced business combination and investment transaction may not close on the expected timeframe or at all, which may cause our financial results to differ from expectations in a given quarter.
- Business combination and investment transactions may lead to litigation, which could impact our financial condition and results of operations.
- If we fail to identify and successfully complete and integrate business combination and investment transactions that further our strategic objectives, we may be required to expend resources to develop products, services and technology internally, which may put us at a competitive disadvantage.

We have incurred and will incur additional depreciation and amortization expense over the useful lives of certain assets acquired in connection with business combination and investment transactions and, to the extent that the value of goodwill or intangible assets acquired in connection with a business combination and investment transaction becomes impaired, we may be required to incur additional material charges relating to the impairment of those assets. For example, in our third fiscal quarter of 2012, we recorded an \$8.0 billion impairment charge related to the goodwill associated with our enterprise services reporting unit within our Enterprise Services segment. In addition, in our fourth fiscal quarter of 2012, we recorded an \$8.8 billion impairment charge relating to the goodwill and intangible assets associated with the Autonomy reporting unit within our Software segment. See Note 10 to the Combined Financial Statements included in the Information Statement. If there are future decreases in our stock price or significant changes in the business climate or results of operations of our reporting units, we may incur additional charges, which may include goodwill impairment or intangible asset charges.

As part of our business strategy, we regularly evaluate the potential disposition of assets and businesses that may no longer help us meet our objectives. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated. In addition, we may experience greater dis-synergies than expected, and the impact of the divestiture on our revenue growth may be larger than

projected. After reaching an agreement with a buyer or seller for the acquisition or disposition of a business, we are subject to satisfaction of pre-closing conditions as well as to necessary regulatory and governmental approvals on acceptable terms, which, if not satisfied or obtained, may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results.

***Integrating acquisitions may be difficult and time-consuming. Any failure by us to integrate acquired companies, products or services into our overall business in a timely manner could harm our financial results, business and prospects.***

In order to pursue our strategy successfully, we must identify candidates for and successfully complete business combination and investment transactions, some of which may be large or complex, and manage post-closing issues such as the integration of acquired businesses, products, services or employees. Integration issues are often time-consuming and expensive and, without proper planning and implementation, could significantly disrupt our business and the acquired business. The challenges involved in integration include:

- successfully combining product and service offerings, including under a single new HPE brand, and entering or expanding into markets in which we are not experienced or are developing expertise;
- convincing customers and distributors that the transaction will not diminish customer service standards or business focus;
- persuading customers and distributors to not defer purchasing decisions or switch to other suppliers (which could result in our incurring additional obligations in order to address customer uncertainty), minimizing sales force attrition and expanding and coordinating sales, marketing and distribution efforts;
- consolidating and rationalizing corporate IT infrastructure, which may include multiple legacy systems from various acquisitions and integrating software code and business processes;
- minimizing the diversion of management attention from ongoing business concerns;
- persuading employees that business cultures are compatible, maintaining employee morale and retaining key employees, engaging with employee works councils representing an acquired company's non-U.S. employees, integrating employees, correctly estimating employee benefit costs and implementing restructuring programs;
- coordinating and combining administrative, manufacturing, research and development and other operations, subsidiaries, facilities and relationships with third parties in accordance with local laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from supply chain integration; and
- managing integration issues shortly after or pending the completion of other independent transactions.

***We may not achieve some or all of the expected benefits of our restructuring plans and our restructuring may adversely affect our business.***

We have announced restructuring plans, including the 2012 Plan (the multi-year restructuring plan initially announced in May 2012) and the 2015 Plan, in order to realign our cost structure due to the changing

nature of our business and to achieve operating efficiencies that we expect to reduce costs. We may not be able to obtain the cost savings and benefits that were initially anticipated in connection with our restructuring. Additionally, as a result of our restructuring, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating and growing our business. If we fail to achieve some or all of the expected benefits of restructuring, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. For more information about our restructuring plans, including details regarding the 2012 Plan and the 2015 Plan, see Note 4 to our Combined Financial Statements and Notes 3 and 18 to our Condensed Combined Financial Statements included in the Information Statement.

***Our financial performance may suffer if we cannot continue to develop, license or enforce the intellectual property rights on which our businesses depend.***

We rely upon patent, copyright, trademark, trade secret and other intellectual property laws in the United States, similar laws in other countries, and agreements with our employees, customers, suppliers and other parties, to establish and maintain intellectual property rights in the products and services we sell, provide or otherwise use in our operations. However, any of our intellectual property rights could be challenged, invalidated, infringed or circumvented, or such intellectual property rights may not be sufficient to permit us to take advantage of current market trends or to otherwise provide competitive advantages, either of which could result in costly product redesign efforts, discontinuance of certain product offerings or other harm to our competitive position. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Therefore, in certain jurisdictions we may be unable to protect our proprietary technology adequately against unauthorized third-party copying or use; this, too, could adversely affect our ability to sell products or services and our competitive position.

***Our products and services depend in part on intellectual property and technology licensed from third parties.***

Much of our business and many of our products rely on key technologies developed or licensed by third parties. For example, many of our software offerings are developed using software components or other intellectual property licensed from third parties, including through both proprietary and open source licenses. These third-party software components may become obsolete, defective or incompatible with future versions of our products, or our relationship with the third party may deteriorate, or our agreements with the third party may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we must carefully monitor and manage our use of third-party software components, including both proprietary and open source license terms that may require the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, including our financial condition and results of operations. In addition, it is possible that as a consequence of a merger or acquisition, third parties may obtain licenses to some of our intellectual property rights or our business may be subject to certain restrictions that were not in place prior to such transaction. Because the availability and cost of licenses from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license to our competitors will either refuse to license us at all, or refuse to license us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these intellectual property rights or we may be required to enter into costly arrangements in order to terminate or limit these rights.

***Third-party claims of intellectual property infringement, including patent infringement, are commonplace in the IT industry and successful third-party claims may limit or disrupt our ability to sell our products and services.***

Third parties also may claim that we or customers indemnified by us are infringing upon their intellectual property rights. For example, patent assertion entities may purchase intellectual property assets for the purpose of asserting claims of infringement and attempting to extract settlements from companies such as HPE and its customers. If we cannot or do not license allegedly infringed intellectual property at all or on reasonable terms, or if we are required to substitute similar technology from another source, our operations could be adversely affected. Even if we believe that intellectual property claims are without merit, they can be time-consuming and costly to defend against and may divert management's attention and resources away from our business. Claims of intellectual property infringement also might require us to redesign affected products, enter into costly settlement or license agreements, pay costly damage awards or face a temporary or permanent injunction prohibiting us from importing, marketing or selling certain of our products. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable or unwilling to uphold its contractual obligations to us.

***The allocation of intellectual property rights between HPE and HP Inc. as part of the separation, and the shared use of certain intellectual property rights following the separation, could adversely impact our reputation, our ability to enforce certain intellectual property rights that are important to us and our competitive position.***

In connection with the separation, HP Co. will allocate to each of HPE and HP Inc. the intellectual property assets relevant to their businesses. The terms of the separation include cross-licenses and other arrangements to provide for certain ongoing use of intellectual property in the existing operations of both businesses. For example, through a joint brand holding structure, both HPE and HP Inc. will retain the ability to make ongoing use of certain variations of the legacy Hewlett-Packard and HP branding, respectively. As a result of this shared use of the legacy branding there is a risk that conduct or events adversely affecting the reputation of HP Inc. could also adversely affect the reputation of HPE. In addition, as a result of the allocation of intellectual property as part of the separation, HPE will no longer have ownership of intellectual property allocated to HP Inc. and our resulting intellectual property ownership position could adversely affect our position and options relating to patent enforcement and patent licensing, our ability to sell our products or services and our competitive position in the industry.

***Our business and financial performance could suffer if we do not manage the risks associated with our Enterprise Services business properly.***

The success of our ES segment is to a significant degree dependent on our ability to retain our significant services clients and maintain or increase the level of revenues from these clients. We may lose clients due to their merger or acquisition, business failure, contract expiration or their selection of a competing service provider or decision to in-source services. In addition, we may not be able to retain or renew relationships with our significant clients. As a result of business downturns or for other business reasons, we are also vulnerable to reduced processing volumes from our clients, which can reduce the scope of services provided and the prices for those services. We may not be able to replace the revenue and earnings from any such lost clients or reductions in services. In addition, our contracts may allow a client to terminate the contract for convenience, and we may not be able to fully recover our investments in such circumstances.

The pricing and other terms of some of our IT service agreements, particularly our long-term IT outsourcing services agreements, require us to make estimates and assumptions at the time we enter into these contracts that could differ from actual results. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could make these agreements less profitable or unprofitable, which could have an adverse effect on the profit margin of our IT services business.

Some of our IT service agreements require significant investment in the early stages that is expected to be recovered through billings over the life of the agreement. These agreements often involve the construction of new IT systems and communications networks and the development and deployment of new technologies. Substantial performance risk exists in each agreement with these characteristics, and some or all elements of service delivery under these agreements are dependent upon successful completion of the development, construction and deployment phases. Any failure to perform satisfactorily under these agreements may expose us to legal liability, result in the loss of customers and harm our reputation, which could harm the financial performance of our IT services business.

Some of our IT outsourcing services agreements contain pricing provisions that permit a client to request a benchmark study by a mutually acceptable third party. The benchmarking process typically compares the contractual price of our services against the price of similar services offered by other specified providers in a peer comparison group, subject to agreed-upon adjustment and normalization factors. Generally, if the benchmarking study shows that our pricing differs from our peer group outside a specified range, and the difference is not due to the unique requirements of the client, then the parties will negotiate in good faith appropriate adjustments to the pricing. This may result in the reduction of our rates for the benchmarked services performed after the implementation of those pricing adjustments, which could harm the financial performance of our IT services business.

If we do not hire, train, motivate and effectively utilize employees with the right mix of skills and experience in the right geographic regions to meet the needs of our services clients, our financial performance could suffer. For example, if our employee utilization rate is too low, our profitability and the level of engagement of our employees could suffer. If that utilization rate is too high, it could have an adverse effect on employee engagement and attrition and the quality of the work performed, as well as our ability to staff projects. If we are unable to hire and retain a sufficient number of employees with the skills or backgrounds to meet current demand, we might need to redeploy existing personnel, increase our reliance on subcontractors or increase employee compensation levels, all of which could also negatively affect our profitability. In addition, if we have more employees than we need with certain skill sets or in certain geographies, we may incur increased costs as we work to rebalance our supply of skills and resources with client demand in those geographies.

***Failure to comply with our customer contracts or government contracting regulations could adversely affect our business and results of operations.***

Our contracts with our customers may include unique and specialized performance requirements. In particular, our contracts with federal, state, provincial and local governmental customers are subject to various procurement regulations, contract provisions and other requirements relating to their formation, administration and performance. Any failure by us to comply with the specific provisions in our customer contracts or any violation of government contracting regulations could result in the imposition of various civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments and, in the case of our government contracts, fines and suspension from future government contracting. Such failures could also cause reputational damage to our business. In addition, HP Co. has in the past been, and we may in the future be, subject to qui tam litigation brought by private individuals on behalf of the government relating to our government contracts, which could include claims for treble damages. Further, any negative publicity related to our customer contracts or any proceedings surrounding them, regardless of its accuracy, may damage our business by affecting our ability to compete for new contracts. If our customer contracts are terminated, if we are suspended or disbarred from government work, or if our ability to compete for new contracts is adversely affected, our financial performance could suffer.

***We make estimates and assumptions in connection with the preparation of our Combined Financial Statements and Condensed Combined Financial Statements (Unaudited), and any changes to those estimates and assumptions could adversely affect our results of operations.***

In connection with the preparation of our Combined Financial Statements and Condensed Combined Financial Statements (Unaudited), we use certain estimates and assumptions based on historical

experience and other factors. Our most critical accounting estimates are described in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” In addition, as discussed in Note 16 to our Combined Financial Statements, we make certain estimates, including decisions related to provisions for legal proceedings and other contingencies. While we believe that these estimates and assumptions are reasonable under the circumstances, they are subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could adversely affect our results of operations.

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

We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our tax liabilities are affected by the amounts we charge in intercompany transactions for inventory, services, licenses, funding and other items. We are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters, and may assess additional taxes as a result. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. In addition, our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws and the discovery of new information in the course of our tax return preparation process. In particular, if circumstances change such that we are unable to indefinitely reinvest our foreign earnings outside the United States, future income tax expense and payments may differ significantly from historical amounts and could materially adversely affect our results of operations. As of October 31, 2014, we had \$25 billion of undistributed earnings from non-U.S. operations indefinitely reinvested outside of the United States. See Note 7 to our Combined Financial Statements included in the Information Statement. The carrying value of our deferred tax assets, which are predominantly in the United States, is dependent on our ability to generate future taxable income in the United States. In addition, there are proposals for tax legislation that have been introduced or that are being considered that could have a significant adverse effect on our tax rate, the carrying value of deferred tax assets, or our deferred tax liabilities. Any of these changes could affect our financial performance.

***In order to be successful, we must attract, retain, train, motivate, develop and transition key employees, and failure to do so could seriously harm us.***

In order to be successful, we must attract, retain, train, motivate, develop and transition qualified executives and other key employees, including those in managerial, technical, development, sales, marketing and IT support positions. Identifying, developing internally or hiring externally, training and retaining qualified executives, engineers, skilled solutions providers in the IT support business and qualified sales representatives are critical to our future, and competition for experienced employees in the IT industry can be intense. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash- and equity-based compensation. Our equity-based incentive awards may contain conditions relating to our stock price performance and our long-term financial performance that make the future value of those awards uncertain. If the anticipated value of such equity-based incentive awards does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity-based incentive awards in the amounts we believe are necessary, our ability to attract, retain, and motivate executives and key employees could be weakened. Our failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations. Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations.



***System security risks, data protection breaches, cyberattacks and systems integration issues could disrupt our internal operations or IT services provided to customers, and any such disruption could reduce our revenue, increase our expenses, damage our reputation and adversely affect our stock price.***

Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the system. The costs to us to eliminate or alleviate cyber or other security problems, including bugs, viruses, worms, malicious software programs and other security vulnerabilities, could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions.

We manage and store various proprietary information and sensitive or confidential data relating to our business. In addition, our outsourcing services business routinely processes, stores and transmits large amounts of data for our clients, including sensitive and personally identifiable information. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our clients or our customers, including the potential loss or disclosure of such information or data as a result of fraud, trickery or other forms of deception, could expose us, our customers or the individuals affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation or otherwise harm our business. We also could lose existing or potential customers of outsourcing services or other IT solutions or incur significant expenses in connection with our customers’ system failures or any actual or perceived security vulnerabilities in our products and services. In addition, the cost and operational consequences of implementing further data protection measures could be significant.

Portions of our IT infrastructure also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time-consuming, disruptive and resource intensive. Such disruptions could adversely impact our ability to fulfill orders and respond to customer requests and interrupt other processes. Delayed sales, lower margins or lost customers resulting from these disruptions could reduce our revenue, increase our expenses, damage our reputation and adversely affect our stock price.

***Terrorist acts, conflicts, wars and geopolitical uncertainties may seriously harm our business and revenue, costs and expenses and financial condition and stock price.***

Terrorist acts, conflicts or wars (wherever located around the world) may cause damage or disruption to our business, our employees, facilities, partners, suppliers, distributors, resellers or customers or adversely affect our ability to manage logistics, operate our transportation and communication systems or conduct certain other critical business operations. The potential for future attacks, the national and international responses to attacks or perceived threats to national security, and other actual or potential conflicts or wars have created many economic and political uncertainties. In addition, as a major multinational company with headquarters and significant operations located in the United States, actions against or by the United States may impact our business or employees. Although it is impossible to predict the occurrences or consequences of any such events, if they occur, they could result in a decrease in demand for our products, make it difficult or impossible to provide services or deliver products to our customers or to receive components from our suppliers, create delays and inefficiencies in our supply chain and result in the need to impose employee travel restrictions. We are predominantly uninsured for losses and interruptions caused by terrorist acts, conflicts and wars.

***Our business is subject to various federal, state, local and foreign laws and regulations that could result in costs or other sanctions that adversely affect our business and results of operations.***

We are subject to various federal, state, local and foreign laws and regulations. For example, we are subject to laws and regulations concerning environmental protection, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the clean-up of contaminated sites, the content of our products and the recycling, treatment and disposal of our products. In particular, we face increasing complexity in our product design and procurement operations as we adjust to new and future requirements relating to the chemical and materials composition of our products, their safe use, the energy consumption associated with those products, climate change laws and regulations and product take-back legislation. If we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws, we could incur substantial costs or face other sanctions, which may include restrictions on our products entering certain jurisdictions. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage, personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contaminated sites can be imposed retroactively, on a joint and several basis, and without any finding of noncompliance or fault. The amount and timing of costs to comply with environmental laws are difficult to predict.

In addition, our business is subject to laws addressing privacy and information security. In particular, we face an increasingly complex regulatory environment in our big data offerings as we adjust to new and future requirements relating to the security of our offerings. If we were to violate or become liable under laws or regulations associated with security, we could incur substantial costs or face other sanctions. Our potential exposure includes fines and civil or criminal sanctions, and third-party claims.

***Failure by HPE to obtain or maintain a satisfactory credit rating could adversely affect its liquidity, capital position, borrowing costs and access to capital markets.***

In connection with our separation capitalization plan, which is intended to result in each of HP Inc. and HPE obtaining investment grade credit ratings, we expect to incur additional borrowings to redistribute debt between us and HP Co., such that we have total debt of approximately \$16 billion immediately following the separation. In August 2015, Moody's Investor Services, Inc. assigned a Baa2 senior unsecured issuer rating with a stable outlook, Standard & Poor's announced that it will likely assign a BBB corporate credit rating with a stable outlook, and Fitch Ratings announced that it expects to assign long-term issuer default ratings of A-, in each case to HPE in anticipation of the separation. Despite these anticipated investment grade credit ratings following the separation, any future downgrades could increase the cost of borrowing under any indebtedness we may incur in connection with the separation or otherwise, reduce market capacity for our commercial paper or require the posting of additional collateral under our derivative contracts. Additionally, increased borrowing costs, including those arising from a credit rating downgrade, can potentially reduce the competitiveness of our financing business. There can be no assurance that we will be able to maintain our credit ratings once established, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position and access to capital markets.

***After our separation from HP Co., we will have debt obligations that could adversely affect our business and our ability to meet our obligations and pay dividends.***

Immediately following the separation, HPE expects to carry net debt. Please refer to Section 5.2 of this prospectus, "Description of Material Indebtedness." We may also incur additional indebtedness in the future. This significant amount of debt could have important adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make principal and interest payments;

- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flows available to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and industry; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase our Shares.

To the extent that we incur additional indebtedness, the risks described above could increase. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay our outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

## II. RISK RELATED TO THE SEPARATION

***Our plan to separate into two independent publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, and will involve significant time and expense, which could disrupt or adversely affect our business.***

On October 6, 2014, we announced plans to separate into two independent publicly traded companies. The separation is subject to approval by the HP Co. board of directors of the final terms of the separation and market, regulatory and certain other conditions. Unanticipated developments, including changes in the competitive conditions of HPE's and HP Inc.'s respective markets, regulatory approvals or clearances, the uncertainty of the financial markets and challenges in executing the separation, could delay or prevent the completion of the proposed separation, or cause the separation to occur on terms or conditions that are different or less favorable than expected.

HP Co. has established a Separation Management Office tasked with driving the separation process. The process of completing the proposed separation has been and is expected to continue to be time-consuming and involves significant costs and expenses. For example, during the nine months ended July 31, 2015, we recorded nonrecurring separation costs of \$458 million, which were primarily related to third-party consulting, contractor fees and other incremental costs directly associated with the separation process. As of July 31, 2015, we expect to incur future separation costs of up to \$0.6 billion during the remainder of fiscal 2015 and in fiscal 2016. In addition, we expect to make foreign tax payments of approximately \$0.6 billion arising from the separation over this same time period, with subsequent tax credit amounts expected over later years. As of July 31, 2015, we expect future cash payments of up to \$0.9 billion in connection with our separation costs and foreign tax payments, which are expected to be paid in the remainder of fiscal 2015 and in fiscal 2016, with subsequent tax credit amounts expected over later years. As of July 31, 2015, we also expect separation-related capital expenditures of approximately \$60 million in the remainder of fiscal 2015. The separation costs may be significantly higher than what we currently anticipate and may not yield a discernible benefit if the separation is not completed or is not well executed. Executing the proposed separation will also require significant amounts of management's time and effort, which may divert management's attention from operating and growing our business. Due to the scale and variety of HP Co.'s businesses and its global footprint (among other factors), the separation process is extremely complex and requires effort and attention from employees throughout the HP Co.

organization. For example, thousands of employees of businesses that will become part of HPE must be transitioned to new payroll and other benefit platforms, and legacy programs going back decades, such as pensions, must be divided among HPE and HP Inc. Outside the organization, HP Co. must notify and establish separation readiness among tens of thousands of customers, business partners and suppliers so that business relationships all over the world may continue seamlessly following the completion of the separation. Administratively, the separation involves the establishment of new customer and supplier accounts, new bank accounts, legal reorganizations and contractual assignments in various jurisdictions throughout the world, and the creation and maintenance of separation management functions, led by the Separation Management Office, to plan and execute the separation process in a timely fashion. Other challenges associated with effectively executing the separation include attracting, retaining and motivating employees during the pendency of the separation and following its completion; addressing disruptions to our supply chain, manufacturing and other operations resulting from splitting HP Co. into two large but independent companies; separating HP Co.'s information systems; and establishing a new brand identity in the marketplace.

***The combined post-separation value of HP Inc. and HPE common stock may not equal or exceed the pre-separation value of HP Co. common stock.***

As a result of the distribution, HP Co. expects the trading price of HP Inc. common stock immediately following the distribution to be lower than the "regular-way" trading price of such common stock immediately prior to the distribution because the trading price will no longer reflect the value of the businesses held by HPE. The aggregate market value of HP Inc. common stock and the Shares following the separation may be higher or lower than the market value of HP Co. common stock immediately prior to the separation.

***The separation may not achieve some or all of the anticipated benefits.***

We may not realize some or all of the anticipated strategic, financial, operational, marketing or other benefits from the separation. As independent publicly traded companies, HPE and HP Inc. will be smaller, less diversified companies with a narrower business focus and may be more vulnerable to changing market conditions, which could materially and adversely affect their respective business, financial condition and results of operations.

***If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, HP Inc., HPE and HP Co. stockholders could be subject to significant tax liabilities, and, in certain circumstances, HPE could be required to indemnify HP Inc. for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.***

It is a condition to the distribution that HP Co. receive (i) a private letter ruling from the U.S. Internal Revenue Service ("IRS") and/or one or more opinions from its external tax advisors, in each case, satisfactory to HP Co.'s board of directors, regarding certain U.S. federal income tax matters relating to the separation and related transactions, and (ii) an opinion of each of Wachtell, Lipton, Rosen & Katz and Skadden, Arps, Slate, Meagher & Flom LLP, satisfactory to HP Co.'s board of directors, regarding the qualification of the distribution, together with certain related transactions, as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. Any opinions of outside counsel or other external tax advisors and any IRS private letter ruling will be based, among other things, on various facts and assumptions, as well as certain representations, statements and undertakings of HP Co. and HPE (including those relating to the past and future conduct of HP Co. and HPE). If any of these facts, assumptions, representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if HP Co. or HPE breach any of their respective covenants contained in any of the separation-related agreements or in the documents relating to the IRS private letter ruling and/or any tax opinion, the IRS private letter ruling and/or any tax opinion may be invalid. Accordingly, notwithstanding receipt of the IRS private letter ruling and/or opinions of counsel or other external tax advisors, the IRS could determine that the distribution and certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the facts,

assumptions, representations, statements or undertakings that were included in the request for the IRS private letter ruling or on which any opinion was based are false or have been violated. In addition, the IRS private letter ruling will not address all of the issues that are relevant to determining whether the distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes, and an opinion of outside counsel or other external tax advisor represents the judgment of such counsel or advisor which is not binding on the IRS or any court. Accordingly, notwithstanding receipt by HP Co. of the IRS private letter ruling and the tax opinions referred to above, there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions do not qualify for tax-free treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail with such challenge, HP Co., HPE and HP Co.'s stockholders could be subject to significant U.S. federal income tax liability.

If the distribution, together with certain related transactions, fails to qualify as a transaction that is generally tax-free under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, HP Inc. would recognize taxable gain as if it has sold the Shares in a taxable sale for its fair market value and HP Co. stockholders who receive Shares in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. For more information, see "Material U.S. Federal Income Tax Consequences" in the Information Statement.

Under the tax matters agreement to be entered into by HP Inc. and HPE in connection with the separation, HPE generally would be required to indemnify HP Inc. for any taxes resulting from the separation (and any related costs and other damages) to the extent such amounts resulted from (i) an acquisition of all or a portion of the equity securities or assets of HPE, whether by merger or otherwise (and regardless of whether HPE participated in or otherwise facilitated the acquisition), (ii) other actions or failures to act by HPE or (iii) any of the representations or undertakings of HPE contained in any of the separation-related agreements or in the documents relating to the IRS private letter ruling and/or any tax opinion being incorrect or violated. Any such indemnity obligations could be material. For a more detailed discussion, see "Certain Relationships and Related Person Transactions—Tax Matters Agreement" in the Information Statement.

In addition, HP Co., HPE and their respective subsidiaries may incur certain tax costs in connection with the separation, including non-U.S. tax costs resulting from separations in multiple non-U.S. jurisdictions that do not legally provide for tax-free separations, which may be material.

***We may not be able to engage in desirable strategic or capital-raising transactions following the separation.***

To preserve the tax-free treatment of the separation and the distribution for U.S. federal income tax purposes, for the two-year period following the separation, we will be prohibited under the tax matters agreement, except in specific circumstances, from: (i) entering into any transaction pursuant to which all or a portion of the Shares would be acquired, whether by merger or otherwise, (ii) issuing equity securities beyond certain thresholds, (iii) repurchasing Shares other than in certain open-market transactions, (iv) ceasing to actively conduct certain of our businesses or (v) taking or failing to take any other action that would prevent the distribution and certain related transactions from qualifying as a transaction that is generally tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code. These restrictions may limit for a period of time our ability to pursue certain strategic transactions, equity issuances or repurchases or other transactions that we may believe to be in the best interests of our stockholders or that might increase the value of our business. For more information, see "Certain Relationships and Related Person Transactions—Tax Matters Agreement" in the Information Statement.

***We have no history of operating as an independent company and we expect to incur increased administrative and other costs following the separation by virtue of our status as an independent public company. Our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.***

The historical information about HPE in the Information Statement refers to our business as operated by and integrated with HP Co. Our historical and pro forma financial information included in the Information Statement is derived from the consolidated financial statements and accounting records of HP Co. Accordingly, our historical and pro forma financial information included in the Information Statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors, among others:

- Prior to the separation, our business has been operated by HP Co. as part of its broader corporate organization, rather than as an independent company. HP Co. or one of its affiliates performed various corporate functions for us such as legal, treasury, accounting, internal auditing, human resources and corporate affairs, and also provided our IT and other corporate infrastructure. Our historical and pro forma financial results reflect allocations of corporate expenses from HP Co. for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Following the separation, our costs related to such functions previously performed by HP Co. may increase.
- Currently, our business is integrated with the other businesses of HP Co. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we will enter into certain agreements (including a transition services agreement) with HP Inc. in connection with the separation, these arrangements may not fully capture the benefits that we enjoyed as a result of being integrated with HP Co. and may result in us paying higher charges than in the past for these services. This could have an adverse effect on our results of operations and financial condition following the completion of the separation.
- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of HP Co. In connection with the separation, we intend to enter into the financing arrangements described under the section entitled “Description of Material Indebtedness,” in Section 5.2 of this prospectus, as part of our transition to becoming a standalone company. Following the completion of the separation, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.
- After the completion of the separation, the cost of capital for our business may be higher than HP Co.’s cost of capital prior to the separation.
- Our historical combined and condensed combined financial information does not reflect the debt or the associated interest expense that we will incur as part of the separation and distribution. See “Description of Material Indebtedness” in Section 5.2 of this prospectus.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from HP Co. For additional information about the past financial performance of our business and the basis of presentation of the historical combined financial statements and the unaudited pro forma combined financial statements of our business, see “Unaudited Pro Forma Combined Financial Statements,” “Selected Historical Combined Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the historical combined and condensed combined financial statements and accompanying notes included in the Information Statement.

***The separation agreement that we will enter into with HP Co. may limit our ability to compete in certain markets and may impose limitations on our recruiting efforts for a period of time following the separation.***

The separation agreement will include non-compete provisions pursuant to which we will generally agree to not compete with HP Inc. in certain product and service categories that comprise the HP Inc. business, including personal computers and printers, worldwide for three years from the distribution date. Such restrictions will be subject to certain exceptions set forth in the separation agreement. See “Certain Relationships and Related Person Transactions—The Separation and Distribution Agreement—Non-Competition” in the Information Statement.

In addition, the separation agreement will contain (i) non-solicitation provisions preventing us from soliciting HP Inc. employees to work for us for 12 months from the distribution date and (ii) no-hire provisions preventing us from hiring HP Inc. employees for six months from the distribution date, in each case subject to certain exceptions. See “Certain Relationships and Related Person Transactions—The Separation and Distribution Agreement—Non-Solicitation and No-Hire” in the Information Statement.

The foregoing restrictions may limit our ability to compete in certain markets and may impose limitations on our recruiting efforts. These factors could materially and adversely affect our business, financial condition and results of operations.

***HPE or HP Inc. may fail to perform under the transition services agreement and other transaction agreements that will be executed as part of the separation, and we may not have necessary systems and services in place when these transaction agreements expire.***

In connection with the separation, HPE and HP Co. will enter into several agreements, including among others a transition services agreement, a separation agreement, a tax matters agreement, an employee matters agreement, a real estate matters agreement, a commercial agreement and an IT service agreement. The transition services agreement will provide for the performance of certain services by each company for the benefit of the other for a transition period after the separation. The separation agreement, tax matters agreement, employee matters agreement and real estate matters agreement will determine the allocation of assets and liabilities between the companies following the separation for those respective areas and include any necessary indemnifications related to liabilities and obligations. The commercial agreement will establish a bilateral relationship between HP Inc. and us for the purchase and sale of commercially available products and services for internal use, incorporation and bundling in OEM products and services, resale to customers and use in the provision of managed services to customers, as well as joint customer pursuits and joint development activities. The IT service agreement will provide for the performance by one of our subsidiaries of certain application development and maintenance and IT infrastructure services for HP Inc. We will rely on HP Inc. to satisfy its performance and payment obligations under these agreements. If HP Inc. is unable to satisfy its obligations under these agreements, including its obligations with respect to the provision of transition services, we could incur operational difficulties or losses that could have a material and adverse effect on our business, financial condition and results of operations.

In addition, if we do not have in place our own systems and services, or if we do not have agreements with other providers of these services in place once certain transition services expire, we may not be able to operate our business effectively and our profitability may decline. We are in the process of creating our own, or engaging third parties to provide, systems and services to replace many of the systems and services that HP Co. currently provides to us and/or will provide to us under the transition services agreement. However, we may not be successful in implementing these systems and services or in transitioning from HP Co.’s systems to our own systems, and may pay more for such systems and services that we currently pay or that we will pay under the transition services agreement.

***The proposed separation may result in disruptions to, and negatively impact our relationships with, our customers and other business partners. In addition, certain contracts that will need to be assigned from HP Co. or its affiliates to HPE in connection with the separation require the consent***

***of the counterparty to such an assignment, and failure to obtain these consents could increase our expenses or otherwise harm our business and financial performance.***

Uncertainty related to the proposed separation may lead customers and other parties with which we currently do business or may do business in the future to terminate or attempt to negotiate changes in our existing business relationships, or cause them to consider entering into business relationships with parties other than us. These disruptions could have a material and adverse effect on our businesses, financial condition, results of operations and prospects. The effect of such disruptions could be exacerbated by any delays in the completion of the separation.

In addition, the separation agreement will provide that a number of contracts are to be assigned from HP Co. or its affiliates to us or our affiliates. A minority of our customer contracts require the contractual counterparty's consent to assignment, a small number of which remain outstanding. We are currently on track to obtain most of these outstanding consents prior to the completion of the separation. However, it is possible that some parties may use the consent requirement to seek more favorable contractual terms from us. If we are unable to obtain these consents, we may be unable to obtain some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the separation. If we are unable to obtain these consents, the loss of these contracts could increase our expenses or otherwise reduce our profitability.

***Potential indemnification liabilities to HP Inc. pursuant to the separation agreement could materially and adversely affect our business, financial condition, results of operations and cash flows.***

The separation agreement will provide for, among other things, indemnification obligations generally designed to make us financially responsible for (i) liabilities primarily associated with the HPE business; (ii) our failure to pay, perform or otherwise promptly discharge any such liabilities or contracts, in accordance with their respective terms, whether prior to, at or after the distribution; (iii) any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding by HP Inc. for our benefit, unless related to liabilities primarily associated with the HP Inc. business; (iv) any breach by us of the separation agreement or any of the ancillary agreements or any action by us in contravention of our amended and restated certificate of incorporation or amended and restated bylaws; and (v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the registration statement of which the Information Statement forms a part (as amended or supplemented) or any other disclosure document that describes the separation or the distribution or HPE and its subsidiaries or primarily relates to the transactions contemplated by the separation agreement, subject to certain exceptions. If we are required to indemnify HP Inc. under the circumstances set forth in the separation agreement, we may be subject to substantial liabilities. See "Certain Relationships and Related Person Transactions—The Separation and Distribution Agreement—Indemnification" in the Information Statement.

***In connection with the separation, HP Inc. will indemnify us for certain liabilities. However, there can be no assurance that the indemnity will be sufficient to insure us against the full amount of such liabilities, or that HP Inc.'s ability to satisfy its indemnification obligation will not be impaired in the future.***

Pursuant to the separation agreement and certain other agreements we will enter into with HP Co., HP Inc. will indemnify HPE for certain liabilities as discussed further in "Certain Relationships and Related Person Transactions—The Separation and Distribution Agreement—Indemnification" in the Information Statement. However, third parties could also seek to hold us responsible for any of the liabilities that HP Inc. has agreed to retain, and there can be no assurance that the indemnity from HP Inc. will be sufficient to protect us against the full amount of such liabilities, or that HP Inc. will be able to fully satisfy its indemnification obligations. In addition, HP Inc.'s insurers may attempt to deny us coverage for liabilities associated with certain occurrences of indemnified liabilities prior to the separation. Moreover, even if we ultimately succeed in recovering from HP Inc. or such insurance providers any amounts for which we are



held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial position, results of operations and cash flows.

***We will be subject to continuing contingent liabilities following the separation.***

After the separation, there will be several significant areas where the liabilities of HP Co. may become our obligations. For example, under the Code and the related rules and regulations, each corporation that was a member of the HP Co. consolidated U.S. federal income tax return group during a taxable period or portion of a taxable period ending on or before the effective date of the distribution is severally liable for the U.S. federal income tax liability of the HP Co. consolidated U.S. federal income tax return group for that taxable period. Consequently, if HP Inc. is unable to pay the consolidated U.S. federal income tax liability for a pre-separation period, we could be required to pay the amount of such tax, which could be substantial and in excess of the amount allocated to us under the tax matters agreement. For a discussion of the tax matters agreement, see “Certain Relationships and Related Person Transactions—Tax Matters Agreement” in the Information Statement. Other provisions of federal law establish similar liability for other matters, including laws governing tax-qualified pension plans, as well as other contingent liabilities.

***Potential liabilities may arise due to fraudulent transfer considerations, which would adversely affect our financial condition and results of operations.***

In connection with the separation and distribution, HP Co. has undertaken and will undertake several corporate reorganization transactions involving its subsidiaries which, along with the separation and distribution, may be subject to federal and state fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the separation and distribution, any entity involved in these reorganization transactions or the separation and distribution:

- was insolvent;
- was rendered insolvent by reason of the separation and distribution;
- had remaining assets constituting unreasonably small capital; or
- intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured,

then the court could void the separation and distribution, in whole or in part, as a fraudulent conveyance or transfer. The court could then require our stockholders to return to HP Inc. some or all of the Shares issued in the distribution, or require HP Inc. or HPE, as the case may be, to fund liabilities of the other company for the benefit of creditors. The measure of insolvency will vary depending upon the jurisdiction whose law is being applied. Generally, however, an entity would be considered insolvent if the fair value of its assets was less than the amount of its liabilities, or if it incurred debt beyond its ability to repay the debt as it matures.

### III. RISKS RELATED TO THE SHARES

***We cannot be certain that an active trading market for our Shares will develop or be sustained after the separation, and following the separation, our stock price may fluctuate significantly.***

A public market for the Shares does not currently exist. We anticipate that on or shortly before the record date for the distribution, trading of Shares will begin on a “when-issued” basis and will continue through the distribution date. However, we cannot guarantee that an active trading market will develop or be sustained for our Shares after the separation. Nor can we predict the prices at which Shares may trade after the separation. Similarly, we cannot predict whether the combined market value of the outstanding

Shares and HP Inc. common stock will be less than, equal to or greater than the market value of the outstanding HP Co. common shares prior to the separation.

The market price of our Shares may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment in which we operate; and
- domestic and worldwide economic conditions.

***Shares generally will be eligible for resale following the distribution, which may cause our stock price to decline.***

Any sales of substantial amounts of the Shares in the public market or the perception that such sales might occur, in connection with the separation or otherwise, may cause the market price of our Shares to decline. Upon completion of the distribution, based on the number of HP Co. common shares outstanding as of September 30, 2015, we expect that we will have an aggregate of approximately 1.878 billion Shares issued and outstanding. These shares will be freely tradable without restriction or further registration under the U.S. Securities Act of 1933, as amended (“Securities Act”), unless the shares are owned by one or more of our “affiliates,” as that term is defined in Rule 405 under the Securities Act. We are unable to predict whether large amounts of our Shares will be sold in the open market following the distribution. We are also unable to predict whether a sufficient number of buyers would be in the market at that time.

***We cannot guarantee the payment of dividends on our Shares, or the timing or amount of any such dividends.***

Following the separation, HPE and HP Inc. are each expected to maintain a dividend that, together, will be similar to that of HP Co. prior to the separation. We expect that HP Inc. will maintain a higher dividend than HPE initially. We currently expect HPE to return at least 50% of free cash flow in fiscal year 2016 to stockholders through approximately \$400 million in dividends and the remainder in share repurchases. Dividend yields will be dependent on the trading price of the respective companies’ common stock following the separation.

However, the payment of any dividends in the future, and the timing and amount thereof, to our stockholders will fall within the discretion of the Board. The Board’s decisions regarding the payment of dividends will depend on many factors, such as our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in our debt, industry practice, legal requirements, regulatory constraints and other factors that the Board deems relevant. For more information, see “Dividend Rights” in Section 4.5 of this prospectus. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and on our access to the capital markets. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividends if and when we commence paying dividends.

***Your percentage ownership in HPE may be diluted in the future.***

In the future, your percentage ownership in HPE may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including equity awards that we will be granting to our directors, officers and employees and purchases of shares from HPE through our employee stock

purchase plan. We anticipate that the compensation committee of the Board will grant stock options or other stock-based awards to our employees and directors after the distribution, from time to time, under our employee benefits plans. Such awards will have a dilutive effect on our earnings per share, which could adversely affect the market price of our Shares.

In addition, our amended and restated certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over our Shares with respect to dividends and distributions, as the Board may generally determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of our Shares. For example, we could grant the holders of preferred stock the right to elect some number of the members of the Board in all events or upon the happening of specified events, or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences that we could assign to holders of preferred stock could affect the residual value of our Shares. Please refer to Section 4.5 of this prospectus and “Description of Hewlett Packard Enterprise’s Capital Stock” in the Information Statement.

***Certain provisions in our amended and restated certificate of incorporation and amended and restated bylaws, and of Delaware law, may prevent or delay an acquisition of HPE, which could decrease the trading price of our Shares.***

Our amended and restated certificate of incorporation and amended and restated bylaws will contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions include, among others:

- the fact that special meetings of our stockholders may only be called by the Board (or the chairman of our Board, our chief executive officer or our secretary with the concurrence of a majority of our Board) or our stockholders holding at least 20% of our outstanding shares;
- the inability of our stockholders to act without a meeting of stockholders;
- rules regarding how our stockholders may present proposals or nominate directors for election at stockholder meetings; and
- the right of our Board to issue preferred stock without stockholder approval.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the “DGCL”), this provision could also delay or prevent a change of control that a stockholder may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation (an “interested stockholder”) shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers and will apply even if the offer may be considered beneficial by some stockholders, but could delay or prevent an acquisition that the Board determines is not in the best interests of our company and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

In addition, an acquisition or further issuance of our Shares could trigger the application of Section 355(e) of the Code, causing the distribution to be taxable to HP Inc. For a discussion of Section 355(e), see “Material U.S. Federal Income Tax Consequence.” in the Information Statement. Under the tax matters agreement, we would be required to indemnify HP Inc. for the resulting tax, and this indemnity obligation might discourage, delay or prevent a change of control that you may consider favorable.

#### **IV. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the normal course of business, we are exposed to foreign currency exchange rate and interest rate risks that could impact our financial position and results of operations. Our risk management strategy with respect to these market risks may include the use of derivative financial instruments. We use derivative contracts only to manage existing underlying exposures. Accordingly, we do not use derivative contracts for speculative purposes. Our risks, risk management strategy and a sensitivity analysis estimating the effects of changes in fair value for each of these exposures is outlined below.

Actual gains and losses in the future may differ materially from the sensitivity analyses based on changes in the timing and amount of foreign currency exchange rate and interest rate movements and our actual exposures and derivatives in place at the time of the change, as well as the effectiveness of the derivative to hedge the related exposure.

##### **4.1 Foreign Currency Exchange Rate Risk**

We are exposed to foreign currency exchange rate risk inherent in our sales commitments, anticipated sales, anticipated purchases and assets and liabilities denominated in currencies other than the U.S. dollar. We transact business in approximately 75 currencies worldwide, of which the most significant foreign currencies to our operations for fiscal 2014 were the euro, the British pound, the Chinese yuan (renminbi) and the Japanese yen. For most foreign currencies, we are a net receiver of the currency and therefore benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currency. Even where we are a net receiver of the foreign currency, a weaker U.S. dollar may adversely affect certain expense figures, if taken alone.

We use a combination of forward contracts and, from time to time, options designated as cash flow hedges to protect against the foreign currency exchange rate risks inherent in our forecasted net revenue and, to a lesser extent, cost of sales and intercompany loans denominated in currencies other than the U.S. dollar. We also use other derivatives not designated as hedging instruments consisting primarily of forward contracts to hedge foreign currency balance sheet exposures. Alternatively, we may choose not to hedge the risk associated with our foreign currency exposures, primarily if such exposure acts as a natural hedge for offsetting amounts denominated in the same currency or if the currency is too difficult or too expensive to hedge.

We have performed sensitivity analyses as of October 31, 2014 and 2013, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The analyses cover all of our foreign currency derivative contracts offset by underlying exposures. The foreign currency exchange rates we used in performing the sensitivity analysis were based on market rates in effect at October 31, 2014 and 2013. The sensitivity analyses indicated that a hypothetical 10%

adverse movement in foreign currency exchange rates would result in a foreign exchange fair value loss of \$14 million and \$17 million at October 31, 2014 and 2013, respectively.

#### **4.2 Interest Rate Risk**

We also are exposed to interest rate risk related to debt we have issued, our investment portfolio and financing receivables.

We have performed sensitivity analyses as of October 31, 2014 and 2013, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of interest rates across the entire yield curve, with all other variables held constant. The analyses cover our debt, investments and financing receivables using actual or approximate maturities. The discount rates used were based on the market interest rates in effect at October 31, 2014 and 2013. The sensitivity analyses indicated that a hypothetical 10% adverse movement in interest rates would result in a loss in the fair values of our debt, investments and financing receivables of \$7 million at October 31, 2014 and \$3 million at October 31, 2013.

### **SECTION B — SUPPLEMENTAL INFORMATION CONCERNING HPE AND THE ESPP**

#### **I. THE OUTLINE**

##### **1.1 Purpose of the ESPP**

The purpose of the ESPP is to provide an opportunity for employees of HPE and its designated affiliates to purchase Shares and thereby have an additional incentive to contribute to the prosperity of HPE.

##### **1.2 Shares Offered Under the ESPP**

The maximum aggregate number of Shares available for issuance under the ESPP on a worldwide basis as of November 1, 2015 (80 million Shares) represents approximately 4.26% of the approximately 1.878 billion Shares that will be outstanding as of November 1, 2015 (based on the number of HP Co. common shares outstanding as of September 30, 2015). Such numbers are subject to adjustments in accordance with the terms of the ESPP.

Enrollment by an eligible employee in the ESPP with respect to a Purchase Period will constitute the grant (as of the Entry Date) by the Company to such employee of a right to purchase on each Purchase Date up to that number of whole Shares as determined by the Committee. The number of Shares that a Participant may purchase on any Purchase Date will be determined by dividing the Participant's accumulated Contributions credited to the Participant's account on the Purchase Date by the Purchase Price (as provided in Section 1.4 below).

However, purchases under the ESPP will be subject to the following limitations:

- A Participant may not purchase more than 5,000 whole Shares in any individual Purchase Period.
- No Participant may be granted a right to purchase Shares under the ESPP at a rate which exceeds Twenty-Five Thousand Dollars (\$25,000) of the fair market value of such common stock (determined when the right is granted under the ESPP) for each calendar year in which the right is outstanding at any time.
- Participants cannot, in the aggregate, purchase more than the number of Shares remaining in the ESPP on the Purchase Date. If such maximum otherwise would be exceeded based on ESPP

participation, the Committee will allocate a prorated portion of the available Shares to each Participant in a uniform and equitable manner.

If there were an increase or decrease in the number of outstanding Shares or other change affecting the Shares or their value because of a stock split, stock dividend, or other distribution (other than a regular cash dividend), the Board will make such proportionate adjustments as it may deem equitable to the number, class of common stock, kind of securities and Purchase Price covered by each right and not yet exercised and the maximum number and class of Shares and kind of securities that may be purchased under the ESPP.

In the event of a merger, liquidation, or other corporate transaction as described in the ESPP, the then-current Offering Period (which may contain one or more Purchase Periods) will terminate immediately prior to the consummation of such proposed transaction, unless otherwise provided by the Board in its sole discretion, all outstanding rights shall automatically terminate and the amounts of all Contributions will be refunded without interest, except where otherwise required by applicable local law.

### **1.3 Purchase Period**

The ESPP is offered in a series of consecutive Purchase Periods of approximately six months, each of which coincides with an Offering Period of the same length. However, in the Committee's discretion, future Offering Periods could contain multiple Purchase Periods. Currently, under the ESPP, one Purchase Period commences on the first trading day on or after November 1 and ends on the last trading day in the following April, and the other Purchase Period commences on the first trading day on or after May 1 and ends on the last trading day in October.

However, in connection with the planned separation, the Committee approved a special initial Offering Period which will start on December 1, 2015. In order to participate in this special initial Purchase Period that begins on December 1, 2015, eligible employees must enroll by no later than November 30, 2015. But for the special initial Offering Period, the terms of the ESPP will not be modified as a consequence of the planned separation.

### **1.4 Purchase Price**

The Purchase Price under the ESPP is equal to 95% of the fair market value of a Share on the Purchase Date.

### **1.5 Purchase of the Shares**

On each Purchase Date, each Participant's Contributions (without any interest being paid or credited, unless otherwise required by local law) will be applied to the purchase of whole shares, subject to limitations set forth in Section 1.2 above, at the Purchase Price specified in Section 1.4 above.

### **1.6 Term of the ESPP**

The ESPP will continue in existence until November 1, 2025 unless it is otherwise terminated in accordance with the ESPP.

### **1.7 Amendment or Discontinuance of the ESPP**

The Board (or, if the Board has so delegated, the Committee) may, in its sole discretion, insofar as permitted by law, terminate or suspend the Plan, or revise or amend it in any respect whatsoever, except that, without the approval of stockholders, the Board may not increase the number of Shares subject to the Plan, except as described in Section 1.2 above.

## II. ELIGIBILITY

### 2.1 Eligible Employees

Any employee who is regularly employed (an employee is regularly employed if they are employed on a full-time or part-time (20 hours or more per week on a regular schedule) basis, or on any other basis as determined by the Company (if required under applicable local law)) by the Company or a Designated Company on an Entry Date is eligible to participate in one or more offerings under the ESPP; provided, however, that employees in either of the following categories are not eligible to participate in the ESPP:

- (a) Employees who are "highly compensated employees" within the meaning of Section 414(q) of the Code, or who are subject to the disclosure requirements of Section 16(a) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
- (b) Employees who, if immediately after exercising their rights granted under the ESPP, would own Shares or hold options over Shares representing five percent (5%) or more of the total combined voting power or value of all classes of Shares or the shares of any Designated Company.

### 2.2 Participation of Eligible Employees

An eligible employee may become a Participant by enrolling in the ESPP and accepting the terms and conditions of the Enrollment Documents provided by the Company, through the electronic or other procedure established by the Company, or through such other means as the Company determines, within the enrollment period specified in the Enrollment Documents. Once an eligible employee becomes a Participant in an Offering Period, the Participant's rate of Contributions will continue for the duration of the Purchase Period and all Purchase Periods within the Offering Period and in all future Offering Periods, unless the Participant follows the procedures prescribed by the Committee to change the rate of Contributions or to withdraw from participation in the ESPP or the Participant terminates employment during a Purchase Period. A Participant who continues participating from one Purchase Period to the next is not required to complete any additional Enrollment Documents in order to continue participation in the ESPP.

### 2.3 Payroll Deductions

During the enrollment process, an employee may elect to make Contributions to the ESPP by authorizing the Company to take payroll deductions out of such employee's Compensation (as defined in the ESPP) for each Purchase Period. The Contributions are made as a percentage of the Participant's Compensation in whole percentages between one percent (1%) and ten percent (10%) and are credited to a separate bookkeeping account for the Participant under the ESPP. Subject to any additional limitations imposed by the Committee, the Participant may change his or her rate of Contributions at any time through the electronic or other procedure established by the Company.

### 2.4 Discontinuance of Participation of Participants

A Participant may withdraw from the ESPP during the Purchase Period through the electronic or other procedure established by the Company prior to the change enrollment deadline established by the Committee, which is approximately three weeks before the end of the Purchase Period. If a Participant withdraws from the ESPP during a Purchase Period, his or her accumulated Contributions will be refunded to the Participant without interest, unless otherwise required by local law. The Committee in its discretion may establish additional rules limiting the timing and frequency during which Participants may withdraw and reenroll in the ESPP.

## **2.5 Termination of Employment of Eligible Employees**

In the event a Participant terminates employment with the Company or any Designated Company for any reason (including death) prior to the expiration of a Purchase Period, the Participant's participation in the Plan will terminate and all Contributions credited to the Participant's account will be paid to the Participant or, in the case of death, to the Participant's heirs or estate, without interest, except to the extent otherwise required by applicable local law.

## **III. DELIVERY AND SALE OF THE SHARES**

As soon as practicable after the Purchase Date, the Company will deliver to the Participant a record of the Shares purchased and the balance of any amount of Contributions credited to the Participant's account. The Committee may require that shares be retained with a broker designated by the Company or with a designated agent of the Company for purposes determined by the Committee. In the absence of such requirement, a Participant can sell Shares purchased under the ESPP as soon as he or she receives his or her shares and provided that such sale occurs outside of any closed window period based on applicable insider trading laws or Company policy.

During a Participant's lifetime, rights granted under the ESPP are exercisable only by the Participant. The Participant has no voting, dividend, or other shareholder rights with respect to the shares subject to any right granted under the ESPP until the shares subject to such right have been purchased and delivered to the Participant.

## **IV. RIGHTS RELATED TO THE SHARES**

### **4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code**

HPE's authorized capital stock consists of 9,600,000,000 Shares, and 300,000,000 shares of preferred stock, par value \$0.01 per share, all of which shares of preferred stock are undesignated. The Board may establish the rights and preferences of the preferred stock from time to time. Immediately following the distribution, based on the number of HP Co. common shares outstanding as of September 30, 2015, HPE expects that approximately 1,878 billion Shares will be issued and outstanding and that no shares of preferred stock will be issued and outstanding.

The Shares will be listed on the NYSE under the symbol "HPE." The CUSIP number for the Shares is 42824C 109.

### **4.2 Legislation Under Which the Securities Have Been Created**

The Shares were created under the DGCL.

### **4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records**

In general, stockholders may hold Shares in certificated, book entry or street name form. The records are kept by HPE's ESPP administrator and broker, Fidelity Stock Plan Services, a division of Fidelity Investments ("Fidelity").

Fidelity can be contacted at HP Retirement Services Center, P.O. Box 77003, Cincinnati, OH 45277-0065, U.S.A., or by telephone at +1-800-457-4015 (domestic) or (00-800) 5449-3541 (international).



### **Commission**

In addition, the SEC imposes a fee on the transfer of the Shares. This fee is paid to the SEC at the time of sale and is required for all equity trades. Upon selling the Shares, the Participants will be charged a fee equal to \$0.0000184 multiplied by the total principal amount of the sale proceeds. The SEC will publish a revised fee rate 30 days after the SEC's regular appropriation for fiscal year 2016 is enacted, and this new fee rate will become effective 60 days after the appropriation is enacted.

#### **4.4 Currency of the Securities Issue**

The United States Dollar is the currency of the securities issue. Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

#### **4.5 Rights Attached to the Securities**

No Participant shall have any voting, dividend, or other shareholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participant as provided in Section III above. Following such purchase and delivery, the Participant shall be entitled to the rights attached to the Shares, as further described below:

**Dividend Rights.** Subject to any preferential rights of any outstanding preferred stock, holders of the Shares will be entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of funds legally available for that purpose.

Following the separation, HPE and HP Inc. are each expected to maintain a dividend that, together, will be similar to that of HP Co. prior to the separation. HPE expects that HP Inc. will maintain a higher dividend than HPE initially. HPE currently expects the Company to return at least 50% of free cash flow in fiscal year 2016 to stockholders through approximately \$400 million in dividends and the remainder in share repurchases. Dividend yields will be dependent on the trading price of the respective companies' common stock following the separation.

The payment of any dividends in the future, and the timing and amount thereof, is within the discretion of HPE's Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as HPE's financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in its debt, industry practice, legal requirements, regulatory constraints and other factors that the Board deems relevant. HPE's ability to pay dividends will depend on its ongoing ability to generate cash from operations and on its access to the capital markets. HPE cannot guarantee that it will pay a dividend in the future or continue to pay any dividends if and when it commences paying dividends.

**Voting Rights.** Each holder of the Shares will be entitled to one vote for each Share on all matters to be voted upon by the common stockholders, and there will be no cumulative voting rights.

**Amendments to Bylaws.** Our amended and restated bylaws will provide that they may be amended by the Board or by the affirmative vote of a majority of our shares entitled to vote, except that certain provisions (such as with respect to the procedures for stockholder meetings, the size of the Board and director indemnification), if amended by our stockholders, require the affirmative vote of a majority of our outstanding shares entitled to vote thereon.

**Special Stockholder Meetings.** Our amended and restated bylaws will provide that our Board (or the chairman of our Board, our chief executive officer or our secretary with the concurrence of a majority of our Board) or stockholders holding no less than 25% of our outstanding Shares may call special meetings of HPE stockholders.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, it may amend its certificate of incorporation, from time to time, in any and as many respects as may

be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration.

Any or all such changes or alterations may be effected by one certificate of amendment.

The Board shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders. Such special or annual meeting shall be called and held upon notice. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

***Right to Receive Liquidation Distributions.*** If there is a liquidation, dissolution or winding up of HPE, holders of the Shares would be entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

***No Preemptive, Redemptive or Conversion Provisions.*** Holders of the Shares will have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the Shares. After the distribution, all outstanding Shares will be fully paid and non-assessable. The rights, preferences and privileges of the holders of the Shares are subject to, and may be adversely affected by, the rights of the holders of Shares of any series of preferred stock that we may designate and issue in the future.

#### 4.6 Transferability

The Shares in this offering under the ESPP will be registered on Form S-8 with the SEC and will be generally freely transferable.

The ESPP is intended to provide Shares for investment and not for resale. HPE does not, however, intend to restrict or influence any Participant in the conduct of his or her own affairs. A Participant, therefore, may sell the Shares purchased under the ESPP at any time he or she chooses, subject to compliance with HPE's stock trading policy, applicable securities laws and the notice provisions mentioned in Section III above. THE PARTICIPANT ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE SHARES.

#### 4.7 General Provisions Applying to Business Combinations

HPE will be subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any "business combination" with an "interested stockholder" for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

- the board of directors of the corporation approves either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, prior to the time the interested stockholder attained that status;
- upon the closing of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of Shares outstanding, those Shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which Participants do not have the right to determine confidentially whether Shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66.66%) of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an "interested stockholder" is a person or group who or which owns fifteen percent (15%) or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of such voting stock at any time within the previous three years.

In general, Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation or any direct or indirect majority-owned subsidiary of the corporation with (a) the interested stockholder, or (b) any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section 203(a) is not applicable to the surviving entity;
- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation involving the interested stockholder;

- subject to certain exceptions, any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested stockholder;
- subject to certain exceptions, any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation that has the effect of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any direct or indirect majority-owned subsidiary.

A Delaware corporation, such as HPE, may "opt out" of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting Shares. However, HPE has not "opted out" of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire HPE.

Section 253 of the DGCL authorizes the board of directors of a Delaware corporation that owns ninety percent (90%) or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself without any requirement for action to be taken by the board of directors of the subsidiary.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to "opt in" to eliminate a target stockholder vote on a back-end merger following a tender or exchange offer in which the acquirer accumulates sufficient shares to approve the merger agreement (a majority unless the target has adopted a higher vote requirement) but less than the ninety percent (90%) necessary to effect a short-form merger.

## V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF JULY 31, 2015

The information set out in the below tables is derived from the condensed combined balance sheet of the enterprise technology infrastructure, software, services and financing business of HP Co. (substantially all of which will be transferred to HPE in connection with the separation and distribution).

### 5.1 Capitalization and Indebtedness (in millions of \$, unaudited)

Total Current Debt	\$	752
- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	752
Total Non-Current Debt (excluding current portion of long-term debt)	\$	493
- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	493
Stockholders' equity		
a. Parent Company Investment	\$	42,568
b. Legal Reserve	\$	—
c. Total Other Reserves	\$	(2,250)
- Accumulated Other Comprehensive Loss	\$	(2,250)

Total Equity	\$	40,726
- Equity attributable to the Company	\$	40,318
- Non-controlling interests	\$	408

## 5.2 Net Indebtedness (in millions of \$, unaudited)

A.+ B.	Cash and Cash Equivalents	\$	2,774
C.	Short-term Investments		—
<b>D.</b>	<b>Liquidity (A) + (B) + (C)</b>	<b>\$</b>	<b>2,774</b>
<b>E.</b>	<b>Current Financial Receivable</b>	<b>\$</b>	<b>2,804</b>
F.	Current Bank Debt	\$	425
G.	Current Portion of Non-current Debt	\$	141
H.	Other Current Financial Debt	\$	186
<b>I.</b>	<b>Other Financial Debt (F) + (G) + (H)</b>	<b>\$</b>	<b>752</b>
<b>J.</b>	<b>Net Current Financial Indebtedness (I) – (E) – (D)</b>	<b>\$</b>	<b>(4,826)</b>
K.	Non-current Bank Loans		—
L.	Bonds Issued	\$	313
M.	Other Non-current Loans	\$	180
<b>N.</b>	<b>Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>\$</b>	<b>493</b>
<b>O.</b>	<b>Net Financial Indebtedness (J) + (N)</b>	<b>\$</b>	<b>(4,333)</b>

### Description of Material Indebtedness

#### Senior Notes

On October 9, 2015, HPE completed its previously announced offering of \$2,250,000,000 aggregate principal amount of 2.450% notes due 2017, \$2,650,000,000 aggregate principal amount of 2.850% notes due 2018, \$3,000,000,000 aggregate principal amount of 3.600% notes due 2020, \$1,350,000,000 aggregate principal amount of 4.400% notes due 2022, \$2,500,000,000 aggregate principal amount of 4.900% notes due 2025, \$750,000,000 aggregate principal amount of 6.200% notes due 2035, \$1,500,000,000 aggregate principal amount of 6.350% notes due 2045, \$350,000,000 aggregate principal amount of floating rate notes due 2017 and \$250,000,000 aggregate principal amount of floating rate notes due 2018 (collectively, the “Notes”). HPE distributed the approximately \$14.53 billion of net proceeds from the Notes offering to HP Co., the current parent company of HPE. HP Co. intends to use the net proceeds distributed to it to fund repurchases and redemptions of its outstanding senior notes, and to repay other indebtedness, to facilitate the separation of HPE from HP Co.

The Notes are HPE’s senior unsecured obligations and rank equally in right of payment with all of HPE’s existing and future senior unsecured indebtedness. The Notes are initially guaranteed on a senior unsecured basis (the “Downstream Parent Guarantee”) by HP Co. The Downstream Parent Guarantee will automatically and unconditionally be released at such time as (i) HP Co. no longer owns any equity securities of HPE, including upon HP Co.’s distribution of all of the outstanding Shares to HP Co.’s shareholders in connection with the previously announced separation of HPE from HP Co., and (ii) beneficial ownership of substantially all of the assets intended to be included in HPE has been transferred to HPE. If the distribution has not been completed on or before February 1, 2016 or, if prior to such date, HP Co. has abandoned the distribution, then HPE has agreed to guarantee each series of HP Co.’s then outstanding senior unsecured notes as well as the obligations of HP Co. under the applicable indentures governing such notes (the “Upstream Guarantee”).

In connection with the issuance of the Notes, on October 9, 2015, HPE entered into an indenture (the “Indenture”), as supplemented by the first, second, third, fourth, fifth, sixth, seventh, eighth and ninth supplemental indentures thereto, each dated as of October 9, 2015 (each, a “Supplemental Indenture”), with The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and HP Co. entered into a guarantee agreement (the “Guarantee Agreement”) with the Trustee and HPE, pursuant to which HP Co. provides the Downstream Parent Guarantee.

In addition, HPE and HP Co. entered into a registration rights agreement dated as of October 9, 2015 (the “Registration Rights Agreement”), with the representatives of the initial purchasers of the Notes, which sets forth, among other things, HPE’s and HP Co.’s obligations to register the Notes and the Downstream Parent Guarantee under the Securities Act of 1933, as amended (the “Securities Act”), within 365 days of October 9, 2015.

Concurrent with issuing the senior notes, HPE is entering into interest rate swaps to reduce the exposure of \$9.5 billion of aggregate principal amount of fixed rate senior notes to changes in fair value resulting from changes in interest rates by achieving LIBOR-based floating interest expense.

HPE may redeem all of the senior notes of each series, other than the floating rate senior notes, at any time, and some of the senior notes of each series, other than the floating rate senior notes, from time to time, at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium. HPE may not redeem the floating rate senior notes prior to maturity.

#### *Credit Facility*

In addition, HPE anticipates entering into an unsecured revolving credit facility in an aggregate principal amount of up to \$4 billion on the distribution date. Under the proposed credit agreement, HPE will be permitted to choose from two methods of calculating interest: a fluctuating base rate equal to the facility’s administrative agent’s adjusted base rate plus an applicable margin, or a period fixed rate equal to LIBOR plus an applicable margin. The applicable margin payable on borrowings will be determined by reference to a pricing schedule based on HPE’s senior unsecured long-term debt ratings. In addition, under the anticipated credit facility, HPE will pay a commitment fee based on the unused portion of such credit facility, which commitment fee will be determined by reference to the pricing schedule referred to above.

The anticipated credit facility will contain various customary covenants that will limit, among other things, the incurrence of indebtedness by subsidiaries of HPE, the grant or incurrence of liens by HPE and its subsidiaries, the entry into sale and leaseback transactions by HPE and its subsidiaries, and the entry into certain fundamental change transactions by HPE and its significant subsidiaries. The anticipated credit facility will contain a covenant pursuant to which HPE will not permit the ratio of consolidated EBITDA to consolidated net interest expense for any period of four consecutive fiscal quarters to be less than 3.0 to 1.0.

The anticipated credit facility will include customary events of default. Under the anticipated credit facility, if an event of default occurs, lenders holding a majority of the revolving commitments will have the right to terminate the commitments and accelerate the maturity of any loans outstanding.

#### *Commercial Paper Programs*

The Board has authorized the issuance of up to \$4.0 billion in aggregate principal amount of commercial paper by HPE. HPE plans to maintain two commercial paper programs, a U.S. commercial paper program providing for private placements under Section 4(a)(2) of the Securities Act, and a euro commercial paper program providing for unregistered offerings made in reliance on Regulation S under the Securities Act. HPE’s U.S. program will permit the issuance of U.S. dollar-denominated commercial paper up to a maximum aggregate principal amount of \$4.0 billion. HPE’s euro commercial paper program will permit the issuance of commercial paper outside of the U.S. denominated in U.S. dollars, euros or British pounds up to a maximum aggregate principal amount of \$3.0 billion or the equivalent in those alternative

currencies. The combined aggregate principal amount of commercial paper outstanding under HPE's U.S. and euro commercial paper programs at any one time cannot exceed the \$4.0 billion authorized by the Board. In addition, a wholly owned subsidiary of HPE plans to enter into a euro commercial paper and certificate of deposit program under which such subsidiary is permitted to have issued and outstanding up to \$500,000,000 in unsecured commercial paper notes issued outside the United States and which may be denominated in one of various currencies.

HPE's target debt balance as of the distribution date is based on internal capital planning considering the following factors and assumptions: anticipated business plan, optimal debt levels, operating activities, general economic contingencies, investment grade credit rating and desired financing capacity.

### **5.3 Indirect and Contingent Indebtedness**

#### *Guarantees*

In the ordinary course of business, the Company may issue performance guarantees to certain of its clients, customers and other parties pursuant to which the Company has guaranteed the performance obligations of third parties. Some of those guarantees may be backed by standby letters of credit or surety bonds. In general, the Company would be obligated to perform over the term of the guarantee in the event a specified triggering event occurs as defined by the guarantee. The Company believes the likelihood of having to perform under a material guarantee is remote.

The Company has entered into service contracts with certain of its clients that are supported by financing arrangements. If a service contract is terminated as a result of the Company's non-performance under the contract or failure to comply with the terms of the financing arrangement, the Company could, under certain circumstances, be required to acquire certain assets related to the service contract. The Company believes the likelihood of having to acquire a material amount of assets under these arrangements is remote.

#### *Indemnifications*

In the ordinary course of business, the Company enters into contractual arrangements under which the Company may agree to indemnify a third party to such arrangement from any losses incurred relating to the services they perform on behalf of the Company or for losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims relating to past performance. The Company also provides indemnifications to certain vendors and customers against claims of IP infringement made by third parties arising from the use by vendors and customers of the Company's software products and services and certain other matters. Some indemnifications may not be subject to maximum loss clauses. Historically, payments made related to these indemnifications have been immaterial.

#### *Warranty (unaudited)*

The Company accrues the estimated cost of product warranties at the time it recognizes revenue. The Company engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of its component suppliers; however, contractual warranty terms, repair costs, product call rates, average cost per call, current period product shipments and ongoing product failure rates, as well as specific product class failures outside of the Company's baseline experience, affect the estimated warranty obligation.

The Company's aggregate product warranty liabilities and changes therein were as follows:

	<b>Nine months ended July 31, 2015</b>
	<b>In millions</b>
Balance at beginning of period	\$ 571
Accruals for warranties issued	279
Adjustments related to pre-existing warranties (including changes in estimates)	(15)
Settlements made (in cash or in kind)	(303)
<b>Balance at end of period</b>	<b>\$ 532</b>

### *Lease Commitments*

The Company leases certain real and personal property under non-cancelable operating leases. Certain leases require the Company to pay property taxes, insurance and routine maintenance and include renewal options and escalation clauses. Rent expense was approximately \$0.8 billion in fiscal 2014, 2013 and 2012.

Property under capital leases is comprised primarily of equipment and furniture. Capital lease assets included in Property, plant and equipment in the Combined Balance Sheets were \$164 million and \$371 million as of October 31, 2014 and 2013, respectively. Accumulated depreciation on the property under capital lease was \$151 million and \$351 million as of October 31, 2014 and 2013, respectively.

As of October 31, 2014, future minimum lease commitments under the Company's non-cancelable operating leases were as follows:

<b>Fiscal year</b>	<b>In millions</b>
2015	\$ 537
2016	397
2017	291
2018	235
2019	179
Thereafter	486
Less: Sublease rental income	(32)
<b>Total</b>	<b>\$ 2,093</b>

### *Unconditional Purchase Obligations*

At October 31, 2014, the Company had unconditional purchase obligations of approximately \$0.8 billion. These unconditional purchase obligations include agreements to purchase goods or services that are enforceable and legally binding on the Company and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. These unconditional purchase obligations are related principally to software maintenance and support services and other items. Unconditional purchase obligations exclude agreements that are cancelable without penalty.

As of October 31, 2014, the Company's future unconditional purchase obligations were as follows:

<b>Fiscal year</b>	<b>In millions</b>
2015	\$ 483
2016	164
2017	106
2018	95



Fiscal year	In millions
Total	\$ 848

## VI. MAXIMUM DILUTION AND NET PROCEEDS

### 6.1 Maximum Dilution

The Shares under the ESPP are offered pursuant to this prospectus to approximately 45,144 eligible employees (as of September 29, 2015) in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom. As indicated in Section 1.5 above, the maximum rate at which Participants may purchase Shares under the ESPP may not exceed \$25,000 worth of Shares (based on the fair market value of the Shares determined at the time the right to purchase the Shares is granted) for each calendar year in which such right is outstanding at any time. However, there are other limitations on Share purchases which may result in Participants not being able to purchase \$25,000 worth of Shares in a calendar year.

HPE's Offering Periods consist of the six-month periods commencing on each on the first trading day on or after November 1 and May 1 of each year. Assuming that (i) no other ESPP limitations are exceeded and (ii) the employees enroll in the Offering Period that begins in November 2015, each Participant would be entitled to purchase a maximum of 1,501 Shares, in April 2016 for a maximum of \$23,756.327 in contributions per Participant. These amounts are based on a hypothetical Share price of \$16.66 (which was the closing price of the Shares on a when-issued basis on October 19, 2015), on December 1, 2015 (i.e., the first trading day of the Offering Period beginning December 1, 2015, at which time the \$25,000 limit for the Offering Period beginning on such date will be calculated), and a hypothetical purchase price of \$15.827 (95% of \$16.66) on April 30, 2016 (i.e., the last trading day of the Offering Period beginning December 1, 2015).

Participants would also be able to purchase additional Shares during the next Offering Period (i.e., May 1, 2016 – October 30, 2016). Assuming that (i) no other ESPP contribution limitations are exceeded, (ii) the hypothetical Share price on May 1, 2016 (i.e., the first trading day of the Offering Period beginning May 1, 2016, at which time the \$25,000 limit for the Offering Period beginning on such date will be calculated) is again \$16.66 and (iii) that the hypothetical purchase price on October 30, 2016 (i.e., the last trading day of the Offering Period beginning May 1, 2016), is again \$15.827 (95% of \$16.66), a Participant would again be able to purchase a maximum of 1,501 Shares, for a maximum of \$23,756.327. Assuming that all of the Participants would each purchase a total of 3,002 Shares in the Offering Periods beginning December 1, 2015 and May 1, 2016, the maximum number of Shares offered pursuant to this prospectus amounts to 135,522,288 Shares (rounded down for the purpose of the calculation below).

Assuming that the Shares offered under the ESPP pursuant to this prospectus to the approximately 45,144 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom would all be newly issued, the holdings of a shareholder of HPE holding 1% of the total outstanding share capital of HPE as of the expected distribution date of November 1, 2015, that is 18,780,000 Shares based on the number of HP Co. common shares outstanding as of September 30, 2015, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the issuance of Shares under the ESPP (as of November 1, 2015)	1.00%	1,878,000,000
After issuance of 135,522,288 Shares under the ESPP	0.933%	2,013,522,288

## 6.2 Net Proceeds

Assuming, using the example above, that the approximately 45,144 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Sweden and the United Kingdom would contribute the maximum amount toward the purchase of the maximum number of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$47,512.654 each, the gross proceeds of HPE in connection with the offer under the ESPP pursuant to this prospectus would be \$2,144,911,252.176. After deducting legal and accounting expenses in connection with the offer, the net proceeds, based on the above assumptions, would be approximately \$2,144,671,252.176.

## VII. DIRECTORS AND EXECUTIVE OFFICERS

### 7.1 Board of Directors Following the Separation

The following table sets forth information regarding the individuals who are expected to serve on the Board following the completion of the separation. The nominees will be presented to HPE's sole stockholder, HP Co., for election prior to the separation. We may name and present additional nominees for election prior to the separation.

Name	Age	Position
Patricia F. Russo	63	Chairman
Dan Ammann	43	Director
Marc L. Andreessen	44	Director
Michael J. Angelakis	51	Director
Leslie A. Brun	63	Director
Pamela Carter	66	Director
Klaus Kleinfeld	57	Director
Raymond J. Lane	68	Director
Ann M. Livermore	57	Director
Raymond E. Ozzie	59	Director
Gary M. Reiner	61	Director
Lip-Bu Tan	55	Director
Margaret C. Whitman	59	Director

**Ms. Russo** - Ms. Russo will serve as the Chairman of our Board. Ms. Russo also serves as the Lead Independent Director of HP Co., a position she has held since July 2014. Ms. Russo served as Chief Executive Officer of Alcatel-Lucent, a communications company, from 2006 to 2008. Previously, Ms. Russo served as Chairman of Lucent Technologies Inc., a communications company, from 2003 to 2006 and Chief Executive Officer and President of Lucent from 2002 to 2006. Ms. Russo is also a director of Alcoa Inc., General Motors Company and Merck & Co., Inc. In addition to her other public company directorships, she is a director of KKR Management LLC, the managing partner of KKR & Co., L.P. Ms. Russo served as a director of Schering-Plough Corporation from 1995 until its merger with Merck in 2009.

**Mr. Ammann** - Mr. Ammann has served as the President of General Motors Company, an automotive company, since January 2014. From April 2011 to January 2014, Mr. Ammann served as Chief Financial Officer and Executive President of GM. Mr. Ammann joined GM in May 2010 as Vice President of Finance and Treasurer, a role he served in until April 2011. Mr. Ammann brings to our Board a robust understanding of consumer, manufacturing and financial industries as well as executive experience helping lead an international, multibillion dollar company through a financial transformation including an initial public offering.

**Mr. Andreessen** - Mr. Andreessen is a co-founder of AH Capital Management, LLC, doing business as Andreessen Horowitz, a venture capital firm founded in July 2009. From 1999 to 2007, Mr. Andreessen served as Chairman of Opsware, Inc., a software company that he co-founded. During a portion of 1999, Mr. Andreessen served as Chief Technology Officer of America Online, Inc., a software company. Mr. Andreessen co-founded Netscape Communications Corporation, a software company, and served in various positions, including Chief Technology Officer and Executive Vice President of Products, from 1994 to 1999. Mr. Andreessen is a director of Facebook, Inc. and several private companies, and was formerly a director of eBay Inc. Mr. Andreessen brings to our Board extensive experience as an Internet entrepreneur. Mr. Andreessen is also a recognized expert and visionary in the IT industry. In addition, he has extensive leadership, consumer industry, and technical expertise through his positions at Netscape, America Online and Opsware. His experience serving on the boards of both public and private technology companies provides him with valuable insight and experience.

**Mr. Angelakis** - Mr. Angelakis has served as a senior advisor to the executive management committee of Comcast Corporation, a media and technology company, since July 2015. Previously, Mr. Angelakis served from November 2011 to July 2015 as Vice Chairman of Comcast and from March 2007 to July 2015 as Chief Financial Officer of Comcast. From 1999 to 2007, Mr. Angelakis was a Managing Director at Providence Equity Partners, LLC, a media and communications investment firm. Mr. Angelakis brings to our Board decades of investment, financial and managerial experience in the media and telecommunications industries, giving him an extensive understanding of the financial, operational and technological concerns important to a complex global operation operating in a dynamic industry.

**Mr. Brun** - Mr. Brun has served as the Chairman and Chief Executive Officer of Sarr Group, LLC, an investment holding company, since March 2006. From August 2011 to December 2013, Mr. Brun was managing director and head of investor relations for CCMP Capital Advisors, LLC, a private equity firm. Previously, from January 1991 to May 2005, Mr. Brun served as founder, Chairman and Chief Executive officer for Hamilton Lane Advisors, a private markets investment firm, and from April 1988 to September 1990 as co-founder and managing director of investment banking at Fidelity Bank in Philadelphia. Mr. Brun currently serves as Chairman of the board at CDK Global, Inc., a technology solutions company, Broadridge Financial Solutions, a financial industry servicing company, and Automatic Data Processing, Inc., a business outsourcing services company. Mr. Brun also serves on the board of Merck & Co., Inc., a pharmaceuticals company. Mr. Brun brings to the Board robust business experience from a long career navigating capital markets and advisory experience from his service as a chairman and director on various public company boards, enabling him to provide the board with valuable financial, management, investor relations, and operational advice and expertise.

**Ms. Carter** - Ms. Carter served as the Vice President of Cummins Inc., a machinery design and manufacturing company, and as President of the Cummins Distribution business unit from 2008 until May 2015. In 18 years at Cummins, Ms. Carter held executive positions in both their Filtration and Distribution

business units after joining the company in 1997 as Vice President, General Counsel and Corporate Secretary. Ms. Carter serves as a director of Spectra Energy Corp., a natural gas company, and CSX Corp., a rail-based freight transportation company. Ms. Carter brings to our Board strategic and operational expertise from her hands-on experience leading and growing a complex design and manufacturing business. Her variety of experienced roles in both legal and business leadership brings to our board the valuable perspective of regulatory and policy knowledge coupled with clear understanding of business strategy.

**Mr. Kleinfeld** - Mr. Kleinfeld has served since 2010 as Chairman and Chief Executive Officer of Alcoa Inc., a global leader in lightweight metals technology, engineering and manufacturing for industries including automotive, aerospace, defense and commercial transportation. He served as President and Chief Executive Officer of Alcoa from 2008 to 2010 and President and Chief Operating Officer from 2007 through 2008. Before his tenure at Alcoa, Mr. Kleinfeld served for twenty years at Siemens AG, from 1987 to 2007, in roles which included Chief Executive Officer and President, member of the Managing Board, and Executive Vice President and Chief Operating Officer of Siemens AG's principal U.S. subsidiary, Siemens Corporation. In addition to serving as a director of Alcoa, Mr. Kleinfeld serves as a director of Morgan Stanley and is a former member of the supervisory board of Bayer AG. Mr. Kleinfeld brings to our Board extensive international and senior executive experience, including in business development, operations and strategic planning at complex multinational organizations.

**Mr. Lane** - Mr. Lane served as executive Chairman of HP Co. from September 2011 to April 2013 and as nonexecutive Chairman of HP Co. from November 2010 to September 2011. Since April 2013, Mr. Lane has served as Partner Emeritus of Kleiner Perkins Caufield & Byers, a private equity firm, after having previously served as one of its Managing Partners from 2000 to 2013. Prior to joining Kleiner Perkins, Mr. Lane was President and Chief Operating Officer and a director of Oracle Corporation, a software company. Before joining Oracle in 1992, Mr. Lane was a senior partner of Booz Allen Hamilton, a consulting company. Prior to Booz Allen Hamilton, Mr. Lane served as a division vice president with Electronic Data Systems Corporation, an IT services company that HP Co. acquired in August 2008. He was with IBM Corporation from 1970 to 1977. Mr. Lane served as Chairman of the Board of Trustees of Carnegie Mellon University from July 2009 to July 2015. He also serves as Vice Chairman of Special Olympics International. Mr. Lane is also a director of several private companies and is a former director of Quest Software, Inc. Mr. Lane brings to our Board significant experience as an early stage venture capital investor, principally in the information technology industry, through his position as Partner Emeritus of Kleiner Perkins. In addition, having served as President and Chief Operating Officer of Oracle, Mr. Lane has experience in worldwide operations, management and the development of corporate strategy. He has also gained valuable experience serving in board leadership roles for many public and private companies.

**Ms. Livermore** - Ms. Livermore served as Executive Vice President of the former HP Enterprise Business from 2004 until June 2011, and has served as an Executive Advisor to HP Co.'s Chief Executive Officer since then. Prior to that, Ms. Livermore served in various other positions with HP Co. in marketing, sales, research and development, and business management since joining the company in 1982. Ms. Livermore is also a director of United Parcel Service, Inc. Ms. Livermore brings to our Board extensive experience in senior leadership positions at HP Co. In addition, through her nearly thirty years at HP Co., Ms. Livermore has vast knowledge and experience in the areas of technology, marketing, sales, research and development and business management, as well as extensive knowledge of enterprise customers and their IT needs. Ms. Livermore also brings public company governance experience from her service on another public company board.

**Mr. Ozzie** - Mr. Ozzie has served as Chief Executive Officer of Talko Inc., a mobile communications applications and services company, since founding the company in December 2011. Previously, Mr. Ozzie served as Chief Software Architect of Microsoft Corporation from 2006 until December 2010, after having served as Chief Technical Officer of Microsoft from 2005 to 2006. Mr. Ozzie joined Microsoft in 2005 after Microsoft acquired Groove Networks, Inc., a collaboration software company he founded in 1997. Mr. Ozzie is a recognized software industry executive and entrepreneur who brings to our Board significant experience in the software industry. Mr. Ozzie also has extensive leadership and technical

expertise through his positions at Microsoft, Groove Networks, and his experience at other public companies earlier in his career.

**Mr. Reiner** - Mr. Reiner has served as Operating Partner at General Atlantic, a private equity firm, since November 2011. Previously, Mr. Reiner served as Special Advisor to General Atlantic from September 2010 to November 2011. Prior to that, Mr. Reiner served as Senior Vice President and Chief Information Officer at General Electric Company, a technology, media and financial services company, from 1996 until March 2010. Mr. Reiner previously held other executive positions with GE since joining the company in 1991. Earlier in his career, Mr. Reiner was a partner at Boston Consulting Group, a consulting company, where he focused on strategic and process issues for technology businesses. Mr. Reiner is also a director of Citigroup Inc. and several private companies, and is a former director of Genpact Limited. Mr. Reiner brings to our board of directors deep insight into how IT can help global companies succeed through his many years of experience as Chief Information Officer at GE. From his other positions at GE and his prior experience with Boston Consulting Group, he also brings decades of experience driving corporate strategy, information technology and best practices across complex organizations. In addition, Mr. Reiner brings to our Board his experience in private equity investing, with a particular focus on the IT industry.

**Mr. Tan** - Mr. Tan has served as the President and Chief Executive Officer of Cadence Design Systems, an electronic design automation company, since 2009. Mr. Tan has also served as Founder and Chairman of Walden International, a venture capital firm, since 1987. Mr. Tan currently serves on the boards of Cadence Design Systems, Ambarella Inc., a video compression and image processing company, SINA, a media company, and Semiconductor Manufacturing International Corp., a semiconductor company. Mr. Tan previously served on the boards of Flextronics International, an electronics manufacturing company, Inphi Corporation, a semiconductor company, SolarEdge Technologies, Inc., a solar energy company, and United Overseas Bank in Singapore. Mr. Tan's extensive experience analyzing investments, managing companies and leading developments in the global technology industry allows him to bring to our Board valuable insights on business in today's industry environment.

**Ms. Whitman** - For information regarding Ms. Whitman, please refer to Section 7.2 below.

Each member of the Board will have a term expiring at the first annual meeting of our stockholders following the distribution, which we expect to hold in 2016.

## 7.2 Executive Officers Following the Separation

The following table sets forth certain information regarding the individuals who are expected to serve as our executive officers and their anticipated positions following the separation. After the separation, none of these individuals will continue to be employees of HP Inc. However, Ms. Whitman is expected to serve as non-executive chairperson of HP Inc.

Name	Age	Position
Margaret C. Whitman	59	President and Chief Executive Officer
Martin Fink	50	Executive Vice President and Chief Technology Officer
Henry Gomez	52	Executive Vice President, Chief Marketing and Communications Officer
John M. Hinshaw	45	Executive Vice President, Technology and Operations
Christopher P. Hsu	44	Executive Vice President and Chief Operating Officer
Kirt P. Karros	46	Senior Vice President, Finance and Treasurer
Alan May	57	Executive Vice President, Human Resources

<b>Name</b>	<b>Age</b>	<b>Position</b>
Michael G. Nefkens	45	Executive Vice President, Enterprise Services
Antonio Neri	48	Executive Vice President and General Manager, Enterprise Group
Jeff T. Ricci	54	Senior Vice President, Controller and Principal Accounting Officer
John F. Schultz	51	Executive Vice President, General Counsel and Secretary
Timothy C. Stonesifer	48	Executive Vice President and Chief Financial Officer
Robert Youngjohns	63	Executive Vice President and General Manager, HP Software

**Ms. Whitman** has served as Chairman of HP Co. since July 2014, President and Chief Executive Officer of HP Co. since September 2011 and as a member of HP Co.'s board of directors since January 2011. From March 2011 to September 2011, Ms. Whitman served as a part-time strategic advisor to Kleiner Perkins Caufield & Byers, a private equity firm. Previously, Ms. Whitman served as President and Chief Executive Officer of eBay Inc., from 1998 to 2008. Prior to joining eBay, Ms. Whitman held executive-level positions at Hasbro Inc., FTD, Inc., The Stride Rite Corporation, The Walt Disney Company, and Bain & Company. Ms. Whitman also serves as a director of The Procter & Gamble Company and is a former director of Zipcar, Inc.

**Mr. Fink** has served as Executive Vice President, Chief Technology Officer and Director of HP Labs since November 2012. Prior to that, he served as Senior Vice President and General Manager of the Business Critical Systems and Converged Application Systems at HP Co. from April 2005 to October 2012. During his 30-year career at HP Co., Mr. Fink has worked in a wide range of roles across HP Co. He also serves as a director of Hortonworks, Inc.

**Mr. Gomez** has served as Executive Vice President and Chief Marketing and Communications Officer of HP Co. since August 2013. Previously, he served as Chief Communications Officer and Executive Vice President of HP Co. from January 2012 to July 2013. Prior to that, he ran HSG Communications, a consulting business that he founded in September 2008. He also served on the leadership team of Ms. Whitman's gubernatorial campaign from February 2009 to November 2010. For most of the previous decade, he worked at eBay Inc. in a variety of roles including Senior Vice President for Corporate Communications and President of Skype. From September 2011 to September 2013 he served as a director of BJ's Restaurants, Inc.

**Mr. Hinshaw** has served as Executive Vice President, Technology and Operations at HP Co. since November 2011. Prior to joining HP Co., Mr. Hinshaw served as Vice President and General Manager of Information Solutions at The Boeing Company, an aerospace company, from January 2011 to October 2011 and as Global Chief Information Officer for Boeing from June 2007 to December 2010. He also serves as a director of Bank of New York Mellon.

**Mr. Hsu** has served as Senior Vice President, Organizational Performance and Hewlett Packard Enterprise Separation Leader since May 2014. Prior to joining HP Co., he served as Managing Director at Kohlberg Kravis Roberts ("KKR"), an investment firm, from December 2013 to May 2014 and as Director of KKR Capstone from November 2008 to December 2013, having joined KKR as a Principal in May 2007. Previously, Mr. Hsu served as an Associate Principal at McKinsey and Company, a consultancy firm, from July 2001 to April 2007.

**Mr. Karros** has served as Senior Vice President, Finance and Treasurer since May 2015. He also leads Investor Relations. Previously, Mr. Karros served as a Principal and Managing Director of Research for Relational Investors LLC, an investment fund, from 2001 to May 2015. Mr. Karros served as a director of PMC-Sierra, a semiconductor company, from August 2013 to May 2015.

**Mr. May** has served as Executive Vice President, Human Resources at HP since June 2015. Prior to joining HP Co., Mr. May served as VP, Human Resources at Boeing Commercial Aircraft, a division of The Boeing Company, from April 2013 to June 2015. Previously, Mr. May served as VP of Human Resources for Boeing Defense, Space and Security at Boeing from April 2011 to June 2015 and as VP of Compensation, Benefits and Strategy at Boeing from August 2007 to April 2011. Prior to joining Boeing, Mr. May served as Chief Talent and Human Resources Officer at Cerberus Capital Management from September 2006 to August 2007. Mr. May served in a number of Human Resources executive roles at PepsiCo from November 1991 to August 2006.

**Mr. Nefkens** has served as Executive Vice President, Enterprise Services at HP Co. since December 2012. Previously, he served in that role in an acting capacity since August 2012. Prior to that, Mr. Nefkens served as Senior Vice President and General Manager of Enterprise Services in the EMEA region at HP Co. from November 2009 to August 2012, after having served in client-facing roles for some of Enterprise Services' largest clients since joining the business in 2001. He also serves as a director of Riverbed Technology, Inc.

**Mr. Neri** has served as Senior Vice President and General Manager, Enterprise Group at HP Co. since October 2014. Previously, he served as Senior Vice President and General Manager of the HP Servers business from September 2013 to October 2014 and concurrently as Senior Vice President and General Manager of the HP Networking business unit from May 2014 to October 2014. Prior to that, Mr. Neri served as Senior Vice President and General Manager of the HP Technology Services business unit from August 2011 to September 2013 and as Senior Vice President, Customer Services for the HP Personal Systems Group from 1995 until August 2011. From March 2012 to February 2013, Mr. Neri served as a director of MphasiS Limited, a technology company.

**Mr. Ricci** has served as Senior Vice President, Controller and Principal Accounting Officer at HP Co. since April 2014. Previously, Mr. Ricci served as Controller and Principal Accounting Officer at HP Co. on an interim basis from November 2013 to April 2014. Prior to that, Mr. Ricci served as Vice President of Finance for HP Co.'s Technology and Operations organization from May 2012 to November 2013. Mr. Ricci served as HP Co.'s Vice President of Finance for Global Accounts and HP Financial Services from March 2011 to May 2012 and Vice President of Finance for HP Software from March 2009 to March 2011. Prior to joining HP Co., Mr. Ricci served as Senior Vice President of Finance for BEA Systems, Inc., an enterprise software company, from 2000 until June 2008.

**Mr. Schultz** has served as Executive Vice President, General Counsel and Secretary of HP Co. since April 2012. Previously, he served as Deputy General Counsel for Litigation, Investigations and Global Functions at HP Co. from September 2008 to April 2012. From March 2005 to September 2008, Mr. Schultz was a partner in the litigation practice at Morgan, Lewis & Bockius LLP, where, among other clients, he supported HP Co. as external counsel on a variety of litigation and regulatory matters.

**Mr. Stonesifer** has served as Senior Vice President and Chief Financial Officer, Enterprise Group at HP Co. since February 2014. Prior to joining HP Co., he served as Chief Financial Officer of General Motors International Operations, an automotive company, from May 2011 to January 2014. Previously, he served as Chief Financial Officer of Alegco Scotsman, a storage company, from June 2010 to May 2011. Prior to that, Mr. Stonesifer served as Chief Financial Officer of Sabic Innovative Plastics (formerly GE Plastics) from August 2007 to June 2010 after having served in various other positions at General Electric since joining the company in 1989.

**Mr. Youngjohns** has served as Executive Vice President and General Manager of HP Software since May 2014. Previously, Mr. Youngjohns served as Senior Vice President and General Manager of the HP Autonomy/Information Management business unit within HP Software from September 2012 to May 2014. Prior to joining HP Co., he was President of Microsoft North America from September 2007 to September 2012 and was President and Chief Executive Officer of Callidus Software from August 2005 to September 2007. Prior to that, he spent 10 years at Sun Microsystems, Inc., where he had a variety of leadership positions in sales and general management both regionally and globally.

### 7.3 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of HPE has:

- (a) been convicted in relation to fraudulent offenses;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of HPE; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the executive officers and directors listed above.

### 7.4 Conflicts of Interest

#### *Director Independence*

Our Corporate Governance Guidelines provide that a substantial majority of the Board will consist of independent directors and that the Board can include no more than three directors who are not independent directors. These standards will be available on our website prior to the distribution date at [www.hpe.com/investor/home](http://www.hpe.com/investor/home). Our director independence standards reflect the NYSE corporate governance listing standards. In addition, each member of the Audit Committee is expected to meet the heightened independence standards required for audit committee members under the applicable listing standards, and each member of the Human Resources and Compensation Committee (the "Enterprise Compensation Committee") is expected to meet the heightened independence standards required for compensation committee members under the applicable listing standards. The Board will assess on a regular basis, and at least annually, the independence of directors and, based on the recommendation of the Nominating, Governance and Social Responsibility Committee (the "NGSR Committee"), will make a determination as to which members are independent.

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

- (1) The director is, or has been within the last three years, an employee of HPE, or an immediate family member of the director is, or has been within the last three years, an executive officer of HPE.
- (2) The director has been employed as an executive officer of HPE, its subsidiaries or its affiliates within the last five years.
- (3) The director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$100,000 in direct compensation from HPE, other than compensation for board service, compensation received by a director's immediate family member for service as a non-executive employee of HPE and pension or other forms of deferred compensation for prior service with HPE that is not contingent on continued service.
- (4) The director or an immediate family member is a current partner of the firm that is our internal or external auditor; (b) the director is a current employee of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time.



- (5) The director or an immediate family member is, or has been in the past three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or has served on that company's compensation committee.
- (6) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, HPE for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.
- (7) The director is affiliated with a charitable organization that receives significant contributions from HPE.
- (8) The director has a personal services contract with HPE or an executive officer of HPE.

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

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

#### ***HPE Severance and Long-Term Incentive Change in Control Plan for Executive Officers***

HPE has adopted the Hewlett Packard Enterprise Company Severance and Long-Term Incentive Change in Control Plan for Executive Officers (the "Severance Plan"). The following is a summary of the principal terms of the Severance Plan, which is qualified in its entirety by reference to the full text of the Severance Plan, which is filed as an exhibit to the registration statement of which the Information Statement forms a part.

##### *Eligibility for the Severance Plan*

Eligible participants are entitled to specified severance payments and benefits under the Severance Plan upon a qualifying termination. A HPE employee is an eligible participant if he or she is an "executive officer" within the meaning of Section 16 of the Exchange Act, of HPE or a member of HPE's executive council who is selected to participate in the Severance Plan, in each case, at the time of, or within 90 days prior to, an employment termination or change in control of HPE.

##### *Severance Benefits Outside of a Change in Control*

In the event of a termination of a participant's employment for reasons other than circumstances giving rise to a termination for "cause" that are specified in the Severance Plan prior to or more than 24 months following events constituting a change in control that are specified in the Severance Plan, and subject to the participant's execution of a full release of claims, the participant will be eligible for severance benefits consisting of (i) a cash severance payment consisting of a multiple, based on the position of the participant, of the participant's annual base salary and the average of the actual annual cash bonuses paid under the applicable annual bonus plan for the three most recent fiscal years prior to termination, (ii) a pro rata annual bonus payment for the year of termination and based on actual performance, (iii) pro rata vesting on any outstanding awards under a long-term incentive plan, including equity-based awards

and (iv) a health benefit stipend equal to 18 months of the employer's portion of insurance premiums for COBRA continuation coverage.

*Severance Benefits in the Event of a Change in Control*

In the event of termination of a participant's employment without cause, including a voluntary resignation by the participant for reasons constituting "good reason" that are specified in the Severance Plan within 24 months after a change in control, and subject to the participant's execution of a full release of claims, the participant will be eligible for severance benefits consisting of (i) a cash severance payment, (ii) a pro rata annual bonus payment and (iii) a health benefit stipend, in each case, as specified above in connection with severance benefits payable outside of a change in control, except that the pro rata annual bonus for the year of termination is calculated based on actual performance as of the termination date. Upon such a termination, the participant also will be entitled to vesting of any then-outstanding awards as specified in the Severance Plan.

*Effect of a Change in Control on Outstanding Long-Term Incentive Awards*

The Severance Plan provides for different treatment of outstanding awards held by a participant upon a change in control depending on whether the awards are subject to Section 409A of the Code to address compliance with Section 409A of the Code and provide for vesting acceleration to the extent the awards are not assumed.

*Potential Cut-Back of Payments and Benefits*

If the payments and benefits under the Severance Plan, when aggregated with any other payments payable to a participant, are subject to the excise tax imposed under Section 4999 of the Code, the payments and benefits will be reduced to the extent necessary to avoid the excise tax if the reduction would result in a greater economic benefit to the participant on an after-tax basis than if the payment and benefits were not reduced.

*Effective Date*

The Severance Plan will become effective November 1, 2015. The Severance Plan may be amended or terminated at any time by the Enterprise Compensation Committee or the board of directors of HPE, in their discretion; provided that (i) no right to payments or benefits in pay status may be cut back without the consent of the affected participant and (ii) no amendment that would have the effect of reducing payments or benefits under severance benefits in the event of a change in control may take effect prior to the second anniversary of a change in control.

*Clawback*

Any amounts payable under the Severance Plan are subject to any policy providing for clawback, recoupment or recovery of amounts that were paid to a participant as established from time to time by the committee and adopted prior to a change in control or required by applicable law.

***Procedures for Approval of Related Person Transactions***

Our Board is expected to adopt a written policy for approval of transactions between us and our directors, director nominees, executive officers, beneficial owners of more than 5% of our Shares, and their respective immediate family members, where the amount involved in the transaction exceeds or is expected to exceed \$100,000 in a single calendar year.

The policy will provide that the Nominating, Governance and Social Responsibility ("NGSR") Committee reviews certain transactions subject to the policy and decides whether or not to approve or ratify those transactions. In doing so, the NGSR Committee determines whether the transaction is in the best

interests of HPE. In making that determination, the NGSR Committee takes into account, among other factors it deems appropriate:

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

The NGSR Committee is expected to delegate authority to the chairman of the NGSR Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than \$1 million. A summary of any new transactions pre-approved by the chairman will be provided to the full NGSR Committee for its review at each of the NGSR Committee's regularly scheduled meetings. The NGSR Committee is expected to adopt standing pre-approvals under the policy for limited transactions with related persons, including:

- compensation of executive officers that is excluded from reporting under SEC rules where the Enterprise Compensation Committee approved (or recommended that the board of directors approve) such compensation;
- director compensation;
- transactions with another company with a value that does not exceed the greater of \$1 million or 2% of the other company's annual revenues, where the related person has an interest only as an employee (other than an executive officer), director or beneficial holder of less than 10% of the other company's shares;
- contributions to a charity in an amount that does not exceed \$1 million or 2% of the charity's annual receipts, where the related person has an interest only as an employee (other than an executive officer) or director; and
- transactions where all stockholders receive proportional benefits.

A summary of new transactions covered by the standing pre-approvals described in the third and fourth bullet immediately above will be provided to the NGSR Committee for its review in connection with the NGSR Committee's regularly scheduled meetings.

## **VIII. EMPLOYEES**

### **8.1 Directors' and Executive Officers' Holdings of Shares and Options**

Before the distribution, all of the outstanding Shares will be owned beneficially and of record by HP Co. Following the distribution, HPE expects to have outstanding an aggregate of approximately 1.878 billion Shares based upon the number of HP Co. common shares outstanding on September 30, 2015,

excluding treasury shares and assuming no exercise of HP Co. options, and applying the distribution ratio.

The following table sets forth information concerning the expected beneficial ownership of our Shares following the distribution by:

- each of our expected directors;
- each of our NEOs; and
- all of our expected directors and executive officers as a group.

The information provided in the table is based on our records, information filed with the SEC and information provided to us, except where otherwise noted. The information is intended to estimate the expected beneficial ownership of our Shares immediately following the distribution, calculated as of September 30, 2015, and based upon the distribution of one Share for every one share of HP Co. common stock. The address of each director and NEO shown in the table below is c/o Hewlett Packard Enterprise Company, Attention: Secretary, 3000 Hanover Street, Palo Alto, California 94304, U.S.A.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Common Stock Outstanding
Patricia F. Russo <sup>(1)</sup>	26,633	*
Dan Ammann	—	*
Marc L. Andreessen <sup>(2)</sup>	49,933	*
Michael J. Angelakis	—	*
Leslie A. Brun	—	*
Pamela Carter	—	*
Klaus Kleinfeld	3,238	*
Raymond J. Lane <sup>(3)</sup>	345,088	*
Ann M. Livermore <sup>(4)</sup>	118,865	*
Raymond E. Ozzie	9,844	*
Gary M. Reiner <sup>(5)</sup>	105,060	*
Lip-Bu Tan	—	*
Margaret C. Whitman <sup>(6)</sup>	6,096,960	*
Catherine A. Lesjak <sup>(7)</sup>	413,065	*
William L. Veghte <sup>(8)</sup>	111,958	*
Michael G. Nefkens <sup>(9)</sup>	570,028	*
A. George Kadifa <sup>(10)</sup>	446,415	*
All expected executive officers and directors as a group (28 persons) <sup>(11)</sup>	9,996,820	*

\* Represents holdings of less than 1%.

(1) Includes 14,881 Shares that Ms. Russo elected to defer receipt of until the termination of her service as a member of our Board.

(2) Includes 35,461 Shares that Mr. Andreessen elected to defer receipt of until the termination of his service as a member of our Board.

(3) Includes 200,000 Shares that Mr. Lane has the right to acquire by exercise of stock options.

(4) Includes 4,421 Shares held by Ms. Livermore in the HP 401(k) Plan, and 100,727 Shares that Ms. Livermore holds indirectly through a trust with her spouse.

(5) Includes 84,327 Shares that Mr. Reiner has the right to acquire by exercise of stock options.

(6) Includes 66 Shares held by Ms. Whitman indirectly through a trust and 5,643,786 Shares that Ms. Whitman has the right to acquire by exercise of stock options.

(7) Includes 306 Shares held by Ms. Lesjak's spouse, 23,267 Shares held jointly by Ms. Lesjak and her spouse, and 389,492 Shares that Ms. Lesjak has the right to acquire by exercise of stock options.

- (8) Includes 46,645 Shares that Mr. Veghte has the right to acquire by exercise of stock options. Mr. Veghte's holdings are as of his last day with the Company on July 31, 2015.
- (9) Includes 88,243 Shares held by Mr. Nefkens indirectly through a trust and 451,195 Shares that Mr. Nefkens has the right to acquire by exercise of stock options.
- (10) Includes 445,286 Shares that Mr. Kadifa had the right to acquire by exercise of stock options. Mr. Kadifa's holdings are as of his last day with the Company on March 2, 2015.
- (11) Includes 8,752,210 Shares that our executive officers and directors have the right to acquire.

## 8.2 Stock Plans (unaudited)

Certain of the Company's employees participate in stock-based compensation plans sponsored by Parent. Parent's stock-based compensation plans include incentive compensation plans and an employee stock purchase plan. All awards granted under the plans are based on Parent's common shares and, as such, are reflected in Parent's Consolidated Statements of Stockholders' Equity and not in the Company's Condensed Combined Statements of Equity. Stock-based compensation expense includes expense attributable to the Company based on the awards and terms previously granted to the Company's employees and an allocation of Parent's corporate and shared functional employee expenses.

Stock-based compensation expense and the resulting tax benefits recognized by the Company were as follows:

	Nine months ended July 31	
	2015	2014
	In millions	
Stock-based compensation expense	\$ 353	\$ 332
Income tax benefit	(116)	(110)
Stock-based compensation expense, net of tax	<u>\$ 237</u>	<u>\$ 222</u>

Stock-based compensation expense includes an allocation of Parent's corporate and shared functional employee expenses of \$94 million and \$88 million for the nine months ended July 31, 2015 and 2014, respectively.

### *Restricted Stock Awards*

Restricted stock awards are non-vested stock awards that may include grants of restricted stock or restricted stock units. For the nine months ended July 31, 2015, Parent granted only restricted stock units.

A summary of restricted stock awards activity for Company employees is as follows:

	Nine months ended July 31, 2015	
	Shares In thousands	Weighted-Average Grant Date Fair Value Per Share
Outstanding at beginning of period	24,496	\$ 24
Granted and assumed through acquisition	18,747	\$ 35
Vested	(10,952)	\$ 25
Forfeited	(1,262)	\$ 30
Outstanding at end of period	<u>31,029</u>	\$ 30

During the nine months ended July 31, 2015, the Company assumed approximately 8 million shares of restricted stock units through acquisition with a weighted-average grant date fair value of \$33 per share.

As of July 31, 2015, total unrecognized pre-tax stock-based compensation expense related to non-vested restricted stock awards to Company employees was \$587 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.4 years.

### Stock Options

Parent utilizes the Black-Scholes-Merton option-pricing formula to estimate the fair value of stock options subject to service-based vesting conditions. Parent estimates the fair value of stock options subject to performance-contingent vesting conditions using a combination of a Monte Carlo simulation model and a lattice model as these awards contain market conditions. The weighted-average fair value and Parent's assumptions used to measure fair value were as follows:

	Nine months ended July 31	
	2015	2014
Weighted-average fair value <sup>(1)</sup>	\$ 8	\$ 7
Expected volatility <sup>(2)</sup>	26.3%	33.2%
Risk-free interest rate <sup>(3)</sup>	1.7%	1.8%
Expected dividend yield <sup>(4)</sup>	1.8%	2.1%
Expected term in years <sup>(5)</sup>	5.8	5.7

- (1) The weighted-average fair value was based on stock options granted during the period.
- (2) For all awards granted in fiscal 2015, expected volatility was estimated using the implied volatility derived from options traded on Parent's common stock. For awards granted in fiscal 2014, expected volatility for awards subject to service-based vesting was estimated using the implied volatility derived from options traded on Parent's common stock, whereas for performance-contingent awards, expected volatility was estimated using the historical volatility of Parent's common stock.
- (3) The risk-free interest rate was estimated based on the yield on U.S. Treasury zero-coupon issues.
- (4) The expected dividend yield represents a constant dividend yield applied for the duration of the expected term of the award.
- (5) For awards subject to service-based vesting, the expected term was estimated using historical exercise and post-vesting termination patterns; and for performance-contingent awards, the expected term represents an output from the lattice model.

A summary of stock option activity for Company employees is as follows:

	Nine months ended July 31, 2015			
	Shares In thousands	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term In years	Aggregate Intrinsic Value In millions
Outstanding at beginning of period	24,472	\$ 27		
Granted and assumed through acquisitions	3,117	\$ 37		
Exercised	(4,593)	\$ 19		
Forfeited/cancelled/expired	(6,786)	\$ 40		
Outstanding at end of period	16,210	\$ 25	5.2	\$ 120
Vested and expected to vest at end of period	15,286	\$ 25	5.2	\$ 115
Exercisable at end of period	7,597	\$ 23	3.9	\$ 70

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that Company employee option holders would have realized had all Company employee option holders exercised their

options on July 31, 2015. The aggregate intrinsic value is the difference between Parent's closing stock price on July 31, 2015 and the exercise price, multiplied by the number of in-the-money options. Total intrinsic value of options exercised by Company employees for the nine months ended July 31, 2015 was \$82 million.

As of July 31, 2015, total unrecognized pre-tax, stock-based compensation expense related to unvested stock options for Company employees was \$28 million, which is expected to be recognized over the remaining weighted-average vesting period of 1.7 years.

### **Employee Stock Purchase Plan**

Parent sponsors the ESPP, pursuant to which eligible employees may contribute up to 10% of base compensation, subject to certain income limits, to purchase shares of Parent's common stock.

Pursuant to the terms of the ESPP, employees purchase stock under the ESPP at a price equal to 95% of Parent's closing stock price on the purchase date. No stock-based compensation expense was recorded in connection with those purchases because the criteria of a non-compensatory plan were met.

## **IX. WORKING CAPITAL STATEMENT**

We believe that internally generated cash flows will be generally sufficient to support our operating businesses, capital expenditures, restructuring activities, separation costs, maturing debt, interest payments, income tax payments and the payment of stockholder dividends (if and when declared by the Board), in addition to any investments and share repurchases conducted by the Company; for the next twelve months.

## **X. SELECTED FINANCIAL INFORMATION**

### **10.1 Selected Financial Data**

The selected financial data of the enterprise technology infrastructure, software, services and financing business of HP Co. (substantially all of which will be transferred to HPE in connection with the separation and distribution) set out in this prospectus have been prepared in accordance with U.S. GAAP. They are derived in part from and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the enterprise technology infrastructure, software, services and financing business of HP Co.'s audited combined financial statements and notes thereto and its condensed combined financial statements and related notes thereto appearing respectively on pages 51 – 85 and F-3 – F-131 of the Information Statement.

### **SELECTED THREE-YEAR FINANCIAL DATA (In millions)**

#### **Combined Statements of Earnings**

	<b>Fiscal years ended October 31</b>		
	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Net revenue:</b>			
Products	\$ 19,171	\$ 19,383	\$ 20,459
Services	35,551	37,541	40,121
Financing income	401	447	462
<b>Total net revenue</b>	<b>55,123</b>	<b>57,371</b>	<b>61,042</b>

	Fiscal years ended October 31		
	2014	2013	2012
Costs and expenses:			
Cost of products	12,394	12,360	12,462
Cost of services	26,815	28,958	31,364
Financing interest	277	312	317
Research and development	2,197	1,956	2,120
Selling, general and administrative	8,717	8,601	8,678
Amortization of intangible assets	906	1,228	1,641
Impairment of goodwill and intangible assets	—	—	16,808
Restructuring charges	1,471	983	1,756
Acquisition-related charges	11	21	35
Total operating expenses	52,788	54,419	75,181
Earnings (loss) from operations	2,335	2,952	(14,139)
Interest and other, net	(91)	(81)	(175)
Earnings (loss) before taxes	2,244	2,871	(14,314)
Provision for taxes	(596)	(820)	(447)
Net earnings (loss)	<u>\$ 1,648</u>	<u>\$ 2,051</u>	<u>\$ (14,761)</u>

### Summary Combined Balance Sheets

	Fiscal years ended October 31		
	2014	2013	2012
Total assets	\$ 65,071	\$ 68,775	\$ 71,702
Long-term debt	\$ 485	\$ 617	\$ 702
Total debt	\$ 1,379	\$ 1,675	\$ 2,923

### SELECTED NINE-MONTH FINANCIAL DATA (In millions)

#### Condensed Combined Statement of Earnings

	Nine months ended July 31	
	2015	2014
(unaudited)		
Net revenue:		
Products	\$ 14,190	\$ 14,030
Services	24,196	26,714
Financing income	273	306
Total net revenue	38,659	41,050
Costs and expenses:		
Cost of products	9,446	9,119



	Nine months ended July 31	
	2015	2014
	(unaudited)	
Cost of services	18,077	20,389
Financing interest	182	211
Research and development	1,686	1,649
Selling, general and administrative	5,987	6,541
Amortization of intangible assets	632	700
Restructuring charges	404	924
Acquisition-related charges	69	8
Separation costs	458	—
Defined benefit plan settlement charges	178	—
Impairment of data center assets	136	—
Total operating expenses	<u>37,255</u>	<u>39,541</u>
Earnings from operations	<u>1,404</u>	<u>1,509</u>
Interest and other, net	<u>(44)</u>	<u>(63)</u>
Earnings before taxes	1,360	1,446
Provision for taxes	<u>(284)</u>	<u>(314)</u>
Net earnings	<u>\$ 1,076</u>	<u>\$ 1,132</u>

### Summary Combined Balance Sheets

	July 31, 2015	October 31, 2014
	(unaudited)	
Total current assets	\$ 22,793	\$ 22,031
Total assets	\$ 68,308	\$ 65,071
Total current liabilities	\$ 18,906	\$ 19,760
Long-term debt	\$ 493	\$ 485
Parent company investment	\$ 42,568	\$ 39,024
Total equity	\$ 40,726	\$ 37,172

### 10.2 Independent Registered Public Accounting Firm

The independent registered public accounting firm of HPE is Ernst & Young LLP, San Jose, California, U.S.A. Ernst & Young LLP is registered with the Public Company Accounting Oversight Board (United States) and is a member of the American Institute of Certified Public Accountants.

## XI. LEGAL PROCEEDINGS

The Company is involved in various lawsuits, claims, investigations and proceedings including those consisting of IP, commercial, securities, employment, employee benefits and environmental matters, which arise in the ordinary course of business. The Company records a liability when it believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment is required to determine both the probability of having incurred a liability and the estimated amount of the liability. The Company reviews these matters at least quarterly and adjusts these liabilities to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other

updated information and events pertaining to a particular matter. Litigation is inherently unpredictable. However, the Company believes it has valid defenses with respect to legal matters pending against us. Nevertheless, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies. The Company believes it has recorded adequate provisions for any such matters and, as of July 31, 2015, it was not reasonably possible that a material loss had been incurred in connection with such matters in excess of the amounts recognized in its financial statements.

### ***Litigation, Proceedings and Investigations***

*Fair Labor Standards Act Litigation.* Parent is involved in several lawsuits in which the plaintiffs are seeking unpaid overtime compensation and other damages based on allegations that various employees of Electronic Data Systems Corporation (“EDS”) or Parent have been misclassified as exempt employees under the Fair Labor Standards Act (the “FLSA”) and/or in violation of the California Labor Code or other state laws. Those matters include the following:

- *Cunningham and Cunningham, et al. v. Electronic Data Systems Corporation* is a purported collective action filed on May 10, 2006 in the United States District Court for the Southern District of New York claiming that current and former EDS employees allegedly involved in installing and/or maintaining computer software and hardware were misclassified as exempt employees. Another purported collective action, *Steavens, et al. v. Electronic Data Systems Corporation*, was filed on October 23, 2007 in the same court alleging similar facts. The *Steavens* case was consolidated for pretrial purposes with the *Cunningham* case. On December 14, 2010, the court granted conditional certification of a class consisting of employees in 20 legacy EDS job codes in the consolidated *Cunningham/Steavens* matter. On December 11, 2013, Parent and plaintiffs’ counsel in the consolidated *Cunningham/Steavens* matter, and the *Salva* matter described below, mediated these cases and reached a settlement agreement. The court approved the settlement on June 16, 2015 and Parent funded the settlement on July 27, 2015.
- *Salva v. Hewlett-Packard Company* is a purported collective action filed on June 15, 2012 in the United States District Court for the Western District of New York alleging that certain information technology employees allegedly involved in installing and/or maintaining computer software and hardware were misclassified as exempt employees under the Fair Labor Standards Act. On December 11, 2013, Parent and plaintiffs’ counsel in the consolidated *Cunningham/Steavens* matter and the *Salva* matter mediated these cases and reached a settlement agreement. The court consolidated the *Salva* matter into the *Cunningham/Steavens* matter and approved the settlement on June 16, 2015. Parent funded the settlement on July 27, 2015.
- *Karlhom, et al. v. Electronic Data Systems Corporation* is a class action filed on March 16, 2009 in California Superior Court alleging facts similar to the *Cunningham* and *Steavens* matters. The parties are engaged in discovery.
- *Benedict v. Hewlett-Packard Company* is a purported class action filed on January 10, 2013 in the United States District Court for the Northern District of California alleging that certain technical support employees allegedly involved in installing, maintaining and/or supporting computer software and/or hardware for Parent were misclassified as exempt employees under the FLSA. The plaintiff has also alleged that Parent violated California law by, among other things, allegedly improperly classifying these employees as exempt. On February 13, 2014, the court granted the plaintiff’s motion for conditional class certification. On May 7, 2015, the plaintiffs filed a motion to certify a Rule 23 state class of certain Technical Solutions Consultants in California, Massachusetts, and Colorado that they claim were improperly classified as exempt from overtime under state law. On July 30, 2015, the court dismissed the Technology Consultant and certain Field Technical Support Consultant opt-ins from the conditionally certified FLSA collective action.

*India Directorate of Revenue Intelligence Proceedings.* On April 30 and May 10, 2010, the India Directorate of Revenue Intelligence (the “DRI”) issued show cause notices to Hewlett-Packard India Sales

Private Ltd (“HP India”), a subsidiary of Parent, seven HP India employees and one former HP India employee alleging that HP India underpaid customs duties while importing products and spare parts into India and seeking to recover an aggregate of approximately \$370 million, plus penalties. Prior to the issuance of the show cause notices, HP India deposited approximately \$16 million with the DRI and agreed to post a provisional bond in exchange for the DRI’s agreement to not seize HP India products and spare parts and to not interrupt the transaction of business by HP India.

On April 11, 2012, the Bangalore Commissioner of Customs issued an order on the products-related show cause notice affirming certain duties and penalties against HP India and the named individuals of approximately \$386 million, of which HP India had already deposited \$9 million. On December 11, 2012, HP India voluntarily deposited an additional \$10 million in connection with the products-related show cause notice. On April 20, 2012, the Commissioner issued an order on the parts-related show cause notice affirming certain duties and penalties against HP India and certain of the named individuals of approximately \$17 million, of which HP India had already deposited \$7 million. After the order, HP India deposited an additional \$3 million in connection with the parts-related show cause notice so as to avoid certain penalties.

HP India filed appeals of the Commissioner’s orders before the Customs Tribunal along with applications for waiver of the pre-deposit of remaining demand amounts as a condition for hearing the appeals. The Customs Department has also filed cross-appeals before the Customs Tribunal. On January 24, 2013, the Customs Tribunal ordered HP India to deposit an additional \$24 million against the products order, which HP India deposited in March 2013. The Customs Tribunal did not order any additional deposit to be made under the parts order. In December 2013, HP India filed applications before the Customs Tribunal seeking early hearing of the appeals as well as an extension of the stay of deposit as to HP India and the individuals already granted until final disposition of the appeals. On February 7, 2014, the application for extension of the stay of deposit was granted by the Customs Tribunal until disposal of the appeals. On October 27, 2014, the Customs Tribunal commenced hearings on the cross-appeals of the Commissioner’s orders. The Customs Tribunal rejected HP India’s request to remand the matter to the Commissioner on procedural grounds. The hearing scheduled to reconvene on April 6, 2015 was cancelled at the request of the Customs Tribunal. A new hearing date has not been set.

*Russia GPO and Other Anti-Corruption Investigations.* The German Public Prosecutor’s Office (“German PPO”) has been conducting an investigation into allegations that current and former employees of Parent engaged in bribery, embezzlement and tax evasion relating to a transaction between Hewlett-Packard ISE GmbH in Germany, a former subsidiary of Parent, and the General Prosecutor’s Office of the Russian Federation. The approximately €35 million transaction, which was referred to as the Russia GPO deal, spanned the years 2001 to 2006 and was for the delivery and installation of an IT network. The German PPO issued an indictment of four individuals, including one current and two former Parent employees, on charges including bribery, breach of trust and tax evasion. The German PPO also requested that Parent be made an associated party to the case, and, if that request is granted, Parent would participate in any portion of the court proceedings that could ultimately bear on the question of whether Parent should be subject to potential disgorgement of profits based on the conduct of the indicted current and former employees. The Regional Court of Leipzig will determine whether the matter should be admitted to trial. The Polish Central Anti-Corruption Bureau is also investigating potential corrupt actions by a former employee of Hewlett-Packard Polska Sp. z o.o., an indirect subsidiary of Parent, in connection with certain public-sector transactions in Poland. Parent and the Company are cooperating with these investigating agencies.

*ECT Proceedings.* In January 2011, the postal service of Brazil, Empresa Brasileira de Correios e Telégrafos (“ECT”), notified subsidiary of Parent in Brazil (“HP Brazil”) that it had initiated administrative proceedings to consider whether to suspend HP Brazil’s right to bid and contract with ECT related to alleged improprieties in the bidding and contracting processes whereby employees of HP Brazil and employees of several other companies allegedly coordinated their bids and fixed results for three ECT contracts in 2007 and 2008. In late July 2011, ECT notified HP Brazil it had decided to apply the penalties against HP Brazil and suspend HP Brazil’s right to bid and contract with ECT for five years, based upon the evidence before it. In August 2011, HP Brazil appealed ECT’s decision. In April 2013, ECT rejected

HP Brazil's appeal, and the administrative proceedings were closed with the penalties against HP Brazil remaining in place. In parallel, in September 2011, HP Brazil filed a civil action against ECT seeking to have ECT's decision revoked. HP Brazil also requested an injunction suspending the application of the penalties until a final ruling on the merits of the case. The court of first instance has not issued a decision on the merits of the case, but it has denied HP Brazil's request for injunctive relief. HP Brazil appealed the denial of its request for injunctive relief to the intermediate appellate court, which issued a preliminary ruling denying the request for injunctive relief but reducing the length of the sanctions from five to two years. HP Brazil appealed that decision and, in December 2011, obtained a ruling staying enforcement of ECT's sanctions until a final ruling on the merits of the case. Parent expects the decision to be issued in 2015 and any subsequent appeal on the merits to last several years.

Cisco Systems. On August 21, 2015, Cisco Systems, Inc. ("Cisco Systems") and Cisco Systems Capital Corporation ("Cisco Capital", and together with Cisco Systems, "Cisco") filed an action in Santa Clara County Superior Court for declaratory judgment and breach of contract against Parent in connection with a dispute arising out of a third-party's termination of a services contract with Parent. As part of that third-party services contract, Parent separately contracted with Cisco on an agreement to utilize Cisco products and services. Parent prepaid the entire amount due Cisco through a financing arrangement with Cisco Capital. Following the termination of Parent's services contract with the third-party, Parent no longer required Cisco's products and services, and, accordingly, exercised its contractual termination rights under the agreement with Cisco, and requested that Cisco apply the appropriate credit toward the remaining balance owed Cisco Capital. This lawsuit relates to the calculation of that credit under the agreement between Cisco and Parent. Cisco contends that after the credit is applied, Parent still owes Cisco Capital approximately \$58 million. Parent contends that under a proper reading of the agreement, Parent owes nothing to Cisco Capital, and that Cisco owes significant amounts to Parent. No responsive pleadings will be filed until after a December 18, 2015 status conference with the court.

Abstrax Proceeding. On February 28, 2014, Abstrax, Inc. ("Abstrax"), a company with a principal place of business in Mesa, Arizona, filed a patent infringement lawsuit against Parent. Abstrax claimed to market software for sales operations and manufacturing operations for configurable products, including those in the custom shutter industry. The case was pending in U.S. District Court for the Eastern District of Texas, Marshall Division. Abstrax asserted one patent, U.S. Patent 6,240,328, which is directed generally to a method of generating assembly instructions. In its complaint, Abstrax claimed that Parent's methods and processes of manufacturing configurable servers, storage, networking devices, PCs, laptops, imaging and printing devices and their sub-systems infringe its patent, as do the products made by the accused processes. Abstrax also claimed that Parent's alleged infringement was willful and that the case was exceptional. On November 14, 2014, Parent filed a petition with the U.S. Patent and Trademark Office challenging the validity of the Abstrax patent based on prior art. In late January 2015, Abstrax dropped its infringement allegations against the manufacturing of PCs and imaging and printing devices from its expert reports. On March 4, 2015, the court heard Parent's motion challenging the subject matter of the patent under 35 U.S.C. Section 101. Trial was scheduled for May 11, 2015. The parties reached a settlement in principle in early April, which was finalized on April 28, 2015. The parties agreed to file separate dismissal papers at the Patent Office to dismiss Parent's challenge to the validity of patent. The district court litigation was dismissed on May 5, 2015. Parent's challenge to the validity of the patent was terminated on May 18, 2015.

Stockholder Litigation. As described below, Parent is involved in various stockholder litigation matters commenced against certain current and former Parent executive officers and/or certain current and former members of Parent's board of directors in which the plaintiffs are seeking to recover damages related to Parent's allegedly inflated stock price, certain compensation paid by Parent to the defendants, other damages and/or injunctive relief:

- A.J. Copeland v. Raymond J. Lane, et al. ("Copeland I") is a lawsuit filed on March 7, 2011 in the United States District Court for the Northern District of California alleging, among other things, that the defendants breached their fiduciary duties and wasted corporate assets in connection with Parent's alleged violations of the Foreign Corrupt Practices Act of 1977 ("FCPA"), Parent's severance payments made to Mark Hurd (a former Chairman of Parent's board of directors and

Parent's Chief Executive Officer), and Parent's acquisition of 3PAR Inc. The lawsuit also alleges violations of Section 14(a) of the Securities Exchange Act of 1934 (the "Exchange Act") in connection with Parent's 2010 and 2011 proxy statements. On February 8, 2012, the defendants filed a motion to dismiss the lawsuit. On October 10, 2012, the court granted the defendants' motion to dismiss with leave to file an amended complaint. On November 1, 2012, the plaintiff filed an amended complaint adding an unjust enrichment claim and claims that the defendants violated Section 14(a) of the Exchange Act and breached their fiduciary duties in connection with Parent's 2012 proxy statement. On December 13, 14 and 17, 2012, the defendants moved to dismiss the amended complaint. On December 28, 2012, the plaintiff moved for leave to file a third amended complaint. On May 6, 2013, the court denied the motion for leave to amend, granted the motions to dismiss with prejudice and entered judgment in the defendants' favor. On May 31, 2013, the plaintiff filed an appeal with the United States Court of Appeals for the Ninth Circuit. The appeal has been fully briefed and an oral argument date has been scheduled for October 20, 2015.

- *A.J. Copeland v. Léo Apotheker, et al. ("Copeland II")* is a lawsuit filed on February 10, 2014 in the United States District Court for the Northern District of California alleging, among other things, that the defendants used their control over Parent and its corporate suffrage process in effectuating, directly participating in and/or aiding and abetting violations of Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The complaint asserts claims for breach of fiduciary duty, waste of corporate assets, unjust enrichment, and breach of the duty of candor. The claims arise out of the circumstances at Parent relating to its 2013 and 2014 proxy statements, the departure of Mr. Hurd as Chairman of Parent's board of directors and Parent's Chief Executive Officer, alleged violations of the FCPA, and Parent's acquisition of 3PAR Inc. and Autonomy Corporation plc ("Autonomy"). On February 25, 2014, the court issued an order granting Parent's administrative motion to relate *Copeland II* to *Copeland I*. On April 8, 2014, the court granted the parties' stipulation to stay the action pending resolution of *Copeland I* by the United States Court of Appeals for the Ninth Circuit.
- *Cement & Concrete Workers District Council Pension Fund v. Hewlett-Packard Company, et al.* is a putative securities class action filed on August 3, 2012 in the United States District Court for the Northern District of California alleging, among other things, that from November 13, 2007 to August 6, 2010 the defendants violated Sections 10(b) and 20(a) of the Exchange Act by making statements regarding Parent's Standards of Business Conduct ("SBC") that were false and misleading because Mr. Hurd, who was serving as Parent's Chairman and Chief Executive Officer during that period, had been violating the SBC and concealing his misbehavior in a manner that jeopardized his continued employment with Parent. On February 7, 2013, the defendants moved to dismiss the amended complaint. On August 9, 2013, the court granted the defendants' motion to dismiss with leave to amend the complaint by September 9, 2013. The plaintiff filed an amended complaint on September 9, 2013, and the defendants moved to dismiss that complaint on October 24, 2013. On June 25, 2014, the court issued an order granting the defendants' motions to dismiss and on July 25, 2014, plaintiff filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. On November 4, 2014, the plaintiff-appellant filed its opening brief in the Court of Appeals for the Ninth Circuit. Parent filed its answering brief on January 16, 2015 and the plaintiff-appellant's reply brief was filed on March 2, 2015. Oral argument has not yet been scheduled.

### ***Autonomy-Related Legal Matters***

***Investigations.*** As a result of the findings of an ongoing investigation, Parent has provided information to the U.K. Serious Fraud Office, the U.S. Department of Justice ("DOJ") and the SEC related to the accounting improprieties, disclosure failures and misrepresentations at Autonomy that occurred prior to and in connection with Parent's acquisition of Autonomy. On November 21, 2012, DOJ representatives advised Parent that they had opened an investigation relating to Autonomy. On February 6, 2013, representatives of the U.K. Serious Fraud Office advised Parent that they had also opened an

investigation relating to Autonomy. On January 19, 2015, the U.K. Serious Fraud Office notified Parent that it was closing its investigation and had decided to cede jurisdiction of the investigation to the U.S. authorities. Parent is cooperating with the DOJ and the SEC, whose investigations are ongoing.

Litigation. As described below, Parent is involved in various stockholder litigation relating to, among other things, its October 2011 acquisition of Autonomy and its November 20, 2012 announcement that it recorded a non-cash charge for the impairment of goodwill and intangible assets within its Software segment of approximately \$8.8 billion in the fourth quarter of its 2012 fiscal year and Parent's statements that, based on Parent's findings from an ongoing investigation, the majority of this impairment charge related to accounting improprieties, misrepresentations to the market and disclosure failures at Autonomy that occurred prior to and in connection with Parent's acquisition of Autonomy and the impact of those improprieties, failures and misrepresentations on the expected future financial performance of the Autonomy business over the long term. This stockholder litigation was commenced against, among others, certain current and former Parent executive officers, certain current and former members of Parent's board of directors and certain advisors to Parent. The plaintiffs in these litigation matters are seeking to recover certain compensation paid by Parent to the defendants and/or other damages. These matters include the following:

- In re HP Securities Litigation consists of two consolidated putative class actions filed on November 26 and 30, 2012 in the United States District Court for the Northern District of California alleging, among other things, that from August 19, 2011 to November 20, 2012, the defendants violated Sections 10(b) and 20(a) of the Exchange Act by concealing material information and making false statements related to Parent's acquisition of Autonomy and the financial performance of Parent's enterprise services business. On May 3, 2013, the lead plaintiff filed a consolidated complaint alleging that, during that same period, all of the defendants violated Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5(b) by concealing material information and making false statements related to Parent's acquisition of Autonomy and that certain defendants violated SEC Rule 10b-5(a) and (c) by engaging in a "scheme" to defraud investors. On July 2, 2013, Parent filed a motion to dismiss the lawsuit. On November 26, 2013, the court granted in part and denied in part Parent's motion to dismiss, allowing claims to proceed against Parent and Margaret C. Whitman based on alleged statements and/or omissions made on or after May 23, 2012. The court dismissed all of the plaintiff's claims that were based on alleged statements and/or omissions made between August 19, 2011 and May 22, 2012. The lead plaintiff filed a motion for class certification on November 4, 2014 and, on December 15, 2014, defendants filed their opposition to the motion. On June 9, 2015, Parent entered into a settlement agreement with the lead plaintiff in the consolidated securities class action. Under the terms of the settlement, Parent, through its insurers, will contribute \$100 million to a settlement fund that will be used to compensate persons who purchased Parent's shares during the period from August 19, 2011 through November 20, 2012. No individual is contributing to the settlement. Parent and its current and former officers, directors, and advisors will be released from any Autonomy-related securities claims as part of the settlement. On July 17, 2015, the court granted preliminary approval to the settlement. The court has set a hearing date of November 13, 2015 to determine whether to grant final approval to the settlement.
- In re Hewlett-Packard Shareholder Derivative Litigation consists of seven consolidated lawsuits filed beginning on November 26, 2012 in the United States District Court for the Northern District of California alleging, among other things, that the defendants violated Sections 10(b) and 20(a) of the Exchange Act by concealing material information and making false statements related to Parent's acquisition of Autonomy and the financial performance of Parent's enterprise services business. The lawsuits also allege that the defendants breached their fiduciary duties, wasted corporate assets and were unjustly enriched in connection with Parent's acquisition of Autonomy and by causing Parent to repurchase its own stock at allegedly inflated prices between August 2011 and October 2012. One lawsuit further alleges that certain individual defendants engaged in or assisted insider trading and thereby breached their fiduciary duties, were unjustly enriched and violated Sections 25402 and 25403 of the California Corporations Code. On May 3, 2013, the lead plaintiff filed a consolidated complaint alleging, among other things, that the defendants

concealed material information and made false statements related to Parent's acquisition of Autonomy and Autonomy's Intelligent Data Operating Layer technology and thereby violated Sections 10(b) and 20(a) of the Exchange Act, breached their fiduciary duties, engaged in "abuse of control" over Parent, corporate waste and were unjustly enriched. The litigation was stayed until June 2014. The lead plaintiff filed a stipulation of proposed settlement on June 30, 2014. The court declined to grant preliminary approval to this settlement, and, on December 19, 2014, also declined to grant preliminary approval to a revised version of the settlement. On January 22, 2015, the lead plaintiff moved for preliminary approval of a further revised version of the settlement. On March 13, 2015, the court issued an order granting preliminary approval to the settlement. On July 30, 2015, the court granted final approval to the settlement and denied all remaining objections to the settlement. Certain objectors to the settlement have appealed the court's final approval order.

- *In re HP ERISA Litigation* consists of three consolidated putative class actions filed beginning on December 6, 2012 in the United States District Court for the Northern District of California alleging, among other things, that from August 18, 2011 to November 22, 2012, the defendants breached their fiduciary obligations to Parent's 401(k) Plan and its participants and thereby violated Sections 404(a)(1) and 405(a) of the Employee Retirement Income Security Act of 1974, as amended, by concealing negative information regarding the financial performance of Autonomy and Parent's enterprise services business and by failing to restrict participants from investing in Parent stock. On August 16, 2013, Parent filed a motion to dismiss the lawsuit. On March 31, 2014, the court granted Parent's motion to dismiss this action with leave to amend. On July 16, 2014, the plaintiffs filed a second amended complaint containing substantially similar allegations and seeking substantially similar relief as the first amended complaint. On June 15, 2015, the court granted Parent's motion to dismiss the second amended complaint in its entirety and denied plaintiffs leave to file another amended complaint. On July 2, 2015, plaintiffs appealed the court's order to the United States Court of Appeals for the Ninth Circuit.
- *Vincent Ho v. Margaret C. Whitman, et al.* is a lawsuit filed on January 22, 2013 in California Superior Court alleging, among other things, that the defendants breached their fiduciary duties and wasted corporate assets in connection with Parent's acquisition of Autonomy and by causing Parent to repurchase its own stock at allegedly inflated prices between August 2011 and October 2012. On April 22, 2013, the court stayed the lawsuit pending resolution of the *In re Hewlett-Packard Shareholder Derivative Litigation* matter in federal court. Two additional derivative actions, *James Gould v. Margaret C. Whitman, et al.* and *Leroy Noel v. Margaret C. Whitman, et al.*, were filed in California Superior Court on July 26, 2013 and August 16, 2013, respectively, containing substantially similar allegations and seeking substantially similar relief. Those actions were also stayed pending resolution of the *In re Hewlett-Packard Shareholder Derivative Litigation* matter. The court's final approval of the settlement of the federal derivative case resulted in a release of the claims asserted in all three actions other than claims asserted against Michael Lynch, the former chief executive officer of Autonomy. The *Ho* matter was dismissed in its entirety with prejudice on August 13, 2015.
- *Cook v. Whitman, et al.* is a lawsuit filed on March 18, 2014 in the Delaware Chancery Court, alleging, among other things, that the defendants breached their fiduciary duties and wasted corporate assets in connection with Parent's acquisition of Autonomy. On May 15, 2014, Parent moved to dismiss or stay the *Cook* matter. On July 22, 2014, the Delaware Chancery Court stayed the motion pending the United States District Court's hearing on preliminary approval of the proposed settlement in the *In re Hewlett-Packard Shareholder Derivative Litigation* matter. The court's final approval of the settlement of the federal derivative case resulted in a release of all the claims asserted in the *Cook* matter other than those asserted against Michael Lynch, Sushovan Hussain, the former chief financial officer of Autonomy, and Deloitte UK. The *Cook* matter was dismissed by stipulation and order on August 19, 2015.

- *Autonomy Corporation Limited v. Michael Lynch and Sushovan Hussain*. On April 17, 2015, four Parent subsidiaries (Autonomy Corporation Limited, HP Vision BV, Autonomy Systems, Limited, and Autonomy, Inc.) initiated civil proceedings in the U.K. High Court of Justice against two members of Autonomy's former management, Michael Lynch and Sushovan Hussain. The Particulars of Claim seek damages in excess of \$5 billion from Messrs. Lynch and Hussain for breach of their fiduciary duties by causing Autonomy group companies to engage in improper transactions and accounting practices. On October 1, 2015, Messrs. Lynch and Hussain filed their defenses. Mr. Lynch also filed a counterclaim against Autonomy Corporation Limited seeking \$160 million in damages, among other things, for alleged misstatements regarding Lynch. The Parent subsidiary claimants will have an opportunity to file a response to the defenses and asserted counterclaim.

### **Environmental**

The Company's operations and products are or may in the future become subject to various federal, state, local and foreign laws and regulations concerning environmental protection, including laws addressing the discharge of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the clean-up of contaminated sites, the substances and materials used in the Company's products, the energy consumption of products, services and operations and the operational or financial responsibility for recycling, treatment and disposal of those products. This includes legislation that makes producers of electrical goods, including servers and networking equipment, financially responsible for specified collection, recycling, treatment and disposal of past and future covered products (sometimes referred to as "product take-back legislation"). The Company could incur substantial costs, its products could be restricted from entering certain jurisdictions, and it could face other sanctions, if it were to violate or become liable under environmental laws or if its products become non-compliant with environmental laws. The Company's potential exposure includes impacts on revenue, fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs to comply with environmental laws are difficult to predict.

In particular, the Company may become a party to, or otherwise involved in, proceedings brought by U.S. or state environmental agencies under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), known as "Superfund," or other federal, state or foreign laws and regulations addressing the clean-up of contaminated sites, and may become a party to, or otherwise involved in, proceedings brought by private parties for contribution towards clean-up costs. The Company is also contractually obligated to make financial contributions to address actions related to certain environmental liabilities, both ongoing and arising in the future, pursuant to its separation and distribution agreement with Parent.

## **XII. DOCUMENTS ON DISPLAY**

As a result of the distribution, HPE will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC. Such annual, quarterly and special reports, proxy and information statements and other information are available on the Internet website maintained by the SEC, at <http://www.sec.gov>. HPE intends to make this information available on its website, [www.hpe.com/investor/home](http://www.hpe.com/investor/home).

The Information Statement referred to in this prospectus may be obtained free of charge upon request by an employee.

HPE expects to issue, in late November 2015, its earnings release for the quarter and fiscal year ended October 31, 2015. The annual report on Form 10-K for such fiscal year will be filed with the SEC no later than January 30, 2016. These documents will be available on the websites of HPE and the SEC indicated above.



### **XIII. TAX CONSEQUENCES**

#### **13.1 Tax Consequences - Austria**

The following summary is based on the income and social tax laws in effect in Austria as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Austrian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

#### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

#### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount (to the extent that he or she has not already exceeded his or her applicable contribution ceiling).

#### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to tax in Austria on any dividends received, provided the Participant exceeds the tax exemptions available for dividends and other forms of income not subject to wage tax withholding, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. If the Participant exceeds both of these exemptions, the dividends will be subject to tax in Austria at a flat rate of 25% or, upon application, at progressive tax rates. As of January 1, 2016, the flat tax will be increased from 25% to 27.5%. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to an Austrian tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

#### **Sale of Shares**

Please note the following information applies to shares acquired on or after January 1, 2011. The tax treatment upon the sale of Shares acquired prior to this date is different and the Participant should consult with their personal tax advisor if he or she has any questions about the sale of such Shares.

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to capital gains tax at a flat rate of 25% or, upon application, at progressive tax rates. As of January 1, 2016, the flat tax will be increased from 25% to 27.5%.

## **Withholding and Reporting**

The employer will withhold income tax and social security contributions (to the extent that the Participant's income has not already exceeded applicable ceilings) due on the discount at purchase and report the income the Participant recognized at purchase to the Austrian tax authorities.

### **13.2 Tax Consequences - Belgium**

The following summary is based on the income and social tax laws in effect in Belgium as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Belgian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

#### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

#### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant should not be subject to social security contributions on the discount.

#### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Belgium on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The U.S. federal tax withheld is deductible from the basis on which Belgium tax is calculated but cannot be credited against the Belgian tax.

#### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant generally is not be subject to capital gains tax under the currently applicable tax laws. The currently pending legislation which would introduce a capital gains tax on the gains realized on the sale of listed shares within six months following the acquisition thereof would not be applicable to shares acquired in the framework of share plans such as the ESPP.

## **Withholding and Reporting**

The employer will not withhold or report income tax or social security contributions when Shares are purchased under the ESPP. It is the Participant's responsibility to report the discount in his or her annual tax return as a benefit-in-kind and pay any applicable income taxes resulting from the purchase of Shares, the subsequent sale of Shares or the receipt of any dividends.

### **13.3 Tax Consequences - Bulgaria**

The following summary is based on the income and social tax laws in effect in Bulgaria as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Bulgarian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

The Participant likely will not be subject to tax when the Shares are purchased.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Bulgaria on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Bulgarian tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any gain will be subject to tax if the gain, aggregated with all profits and losses from securities transactions during the year, is a positive amount. The profit or loss on an individual securities transaction is calculated as the difference between the sale price and the acquisition price of the securities. For shares purchased under the ESPP, the acquisition price is the purchase price. The Participant will be responsible for reporting any gain on the sale of shares and paying the applicable taxes directly to the local tax authorities.

## **Withholding and Reporting**

The employer is not required to withhold or report any taxes in connection with the Participant's participation in the ESPP. It is the Participant's responsibility to pay and report any taxes due when he or she sells the Shares acquired under the ESPP and if dividends are paid.

### **13.4 Tax Consequences - Czech Republic**

The following summary is based on the income and social tax laws in effect in the Czech Republic as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Czech Republic residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

#### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

#### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to a solidarity surcharge if the Participant's annual employment income exceeds a specified threshold.

#### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in the Czech Republic on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Czech tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

#### **Sale of Shares**

The subsequent sale of shares purchased under the ESPP may be subject to capital gains tax depending on certain factors.

#### **For Shares acquired prior to January 1, 2014:**

When the Participant subsequently sells the Shares purchased under the ESPP, any gain will not be subject to tax, provided that the Participant holds the Shares for more than six months. If the Participant

holds the Shares for six months or less, the Participant likely will be taxed on the difference between the sale price of the Shares and the fair market value of the Shares on the date of purchase.

The exemption discussed above will not apply to the Participant in the unlikely event that the Participant has held an interest of more than 5% in HPE's registered capital or voting rights at any time in the 24-month period prior to the date of sale. In this case, the Participant is required to hold the HPE shares for at least five years in order to qualify for the tax exemption.

For Shares acquired after January 1, 2014:

When the Participant subsequently sells the Shares purchased under the ESPP, any gain will not be subject to tax, provided that the Participant holds the shares for more than three years or the Participant's gross annual income from the sale of Shares and other securities does not exceed a certain limit. If the Participant holds the Shares for three years or less or the Participant's gross annual income from the sale of Shares exceeds the specified limit, the Participant likely will be taxed on the difference between the sale price of the Shares and the fair market value of the Shares on the date of purchase.

**Withholding and Reporting**

The employer is not required to withhold or report income tax when the Shares are purchased under the ESPP. It is the Participant's responsibility to report in his or her annual tax return and pay taxes resulting from the purchase of Shares, the subsequent sale of Shares or the receipt of any dividends.

**13.5 Tax Consequences - Denmark**

The following summary is based on the income and social tax laws in effect in Denmark as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Danish residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

**Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

**Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount.

## **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Denmark on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. The dividends will be subject to tax in Denmark as share income. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Danish tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to capital gains tax. The Participant will be responsible for reporting any gain on the sale of shares and paying the applicable taxes directly to the local tax authorities.

## **Withholding and Reporting**

The employer is not required to withhold income tax or social insurance contributions at the time the Shares are purchased or sold. However, the employer will report the taxable amount at purchase to the Danish tax administration. It is the Participant's responsibility to report and pay any taxes (including social insurance contributions) resulting from the purchase and the sale of the Shares, or receipt of any dividends.

### **13.6 Tax Consequences - Finland**

The following summary is based on the income and social tax laws in effect in Finland as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Finnish residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

## **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions, public broadcasting tax and church tax, if applicable, on the discount.

If the shares are newly issued and if the ESPP is offered to a majority of the Finnish employees, the discount is only taxable to the extent it exceeds 10% of the fair market value of the shares, as defined for tax purposes.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Finland on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Finnish tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to capital gains tax. When determining the applicable capital gain, the Participant may deduct from the sale price either: (1) the acquisition cost of the shares and other costs in connection with the gain (*i.e.*, brokerage fees); or (2) 20% of the sale price as a deemed acquisition cost (40% if the shares are held at least ten years). The Participant will be responsible for reporting any gain on the sale of shares and paying the applicable taxes directly to the local tax authorities.

The Participant will be subject capital gains tax on the entire gain (including discount at purchase) realized on the shares.

### **Withholding and Reporting**

The employer will withhold and report income tax and social insurance contributions when Shares are purchased for the Participant under the ESPP. It is the Participant's responsibility to pay and report any taxes due when he or she sells the Shares acquired under the ESPP and if dividends are paid.

### **13.7 Tax Consequences - France**

The following summary is based on the income and social tax laws in effect in France as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are French residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP). Payroll deductions are not subject to preferred social security or income tax

treatment. Insofar as they are part of the Participant's salary, they remain subject to personal income tax and social security contributions.

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to social insurance contributions on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to income tax on the taxable discount (after deduction of the deductible social security contributions).

### **Surtax**

The Participant will be required to pay surtax on the Participant's total income, including the discount and any capital gains realized by the Participant, if Participant's total income exceeds certain thresholds. Participant is solely responsible for paying any surtax due.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in France (after deduction allowances) on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. Any dividends received will be subject to 15.5% additional social taxes. The Participant should carefully review his or her situation with their personal tax advisor, since until the shares are held in the books of a non-French broker<sup>3</sup>, the Participant may have to file a tax return and pay 21% tax (and social taxes) directly to the tax office within 15 days of the month following the receipt of dividends, depending on the Participant's income in the year N-2. This would be a prepayment of the personal income tax due the year following the receipt of dividends. The Participant remains liable for reporting the dividends in his or her annual income tax return the year following the payment of the dividends and for paying any additional income tax. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a French tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

The Participant will be subject to personal income tax and additional social taxes when he or she subsequently sells the Shares acquired under the ESPP. The taxable capital gain will be, in principle, the difference between the sale proceeds and the fair market value of the Shares on the date of purchase. Allowances for the holding period of the Shares before the sale are available.

### **Withholding and Reporting**

The employer is not required to withhold income tax when Shares are purchased for the Participant under the ESPP, provided the Participant remains a French tax resident and works continuously in France from the start of the relevant Offering Period to purchase. If the Participant ceases to be a French tax resident prior to purchase, income tax withholding will apply to the French-source discount income.

The employer will report the discount at purchase to the French tax and social security authorities and will withhold the relevant social contributions due on the discount at purchase. It is the Participant's responsibility to pay and report any taxes due when the Participant purchases or sells Shares acquired under the ESPP and if dividends are paid. The Participant also is responsible for reporting certain information related to the non-French broker account on a specific form (n°3916) to the French tax authorities, together with his or her annual income tax return.

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<sup>3</sup> Once the shares are transferred in the books of a French bank / broker, any reporting and payment obligations is made directly by the French bank or broker.



### 13.8 Tax Consequences - Germany

The following summary is based on the income and social tax laws in effect in Germany as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are German residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

#### Enrollment in the ESPP

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

#### Purchase of Shares

When Shares are purchased under the ESPP, according to the official position of the German tax authorities, the Participant generally will be subject to income tax (plus solidarity surcharge and church tax, if applicable) on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date the Shares are transferred to the Participant and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount to the extent the Participant's income has not already exceeded the applicable contribution ceilings. Pursuant to Section 3 No. 39 of the Income Tax Act (Einkommensteuergesetz), a certain amount of the discount per calendar year may be exempt from tax provided certain conditions are met. The Participant should consult with his or her personal tax advisor regarding the availability of this exemption.

#### Dividends

If the Participant holds Shares and HPE declares a dividend, the dividends received will be subject to income tax at a flat rate of 25% (plus solidarity surcharge and church tax, if applicable). If the flat tax rate exceeds the Participant's personal income tax rate, the Participant may elect a personal assessment to apply his or her personal income tax rate. The tax base for all categories of investment income (including, *inter alia*, dividend payments on HPE shares and capital gains) is determined by taking into account a lump sum deduction of €801 p.a. for income-related expenses if the Participant is taxed individually (for married taxpayers and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly €1,602), regardless of whether the Participant (i) incurred any expenses, or (ii) the expenses exceeded the amount of €801 (or €1,602, respectively).

#### Sale of Shares

Please note the following information applies to Shares acquired on or after January 1, 2009. The tax treatment upon the sale of Shares acquired prior to this date is different and the Participant should consult with his or her personal tax advisor regarding any questions about the sale of such Shares.

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time the Shares are transferred to the Participant) will be subject to income tax at a flat rate of 25% (plus solidarity surcharge and church tax, if applicable), provided the Participant did not own 1% or more of HPE's stated capital at any time in the past five years and the Shares were not held as a business asset. However, the Participant may elect a personal assessment to apply the Participant's personal income tax rate if the flat rate exceeds his or her personal income tax rate. As outlined above, the Participant may deduct € 801 (€1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) from the Participant's total capital gains and other income from capital investments realized during the relevant tax year.

Also, please note that the flat tax rate does not apply to gains from the sale of shares if the Participant holds or has held at least 1% of HPE's stated capital at any time during the last five years, or holds the Shares as a business asset. In such circumstances, 60% of the capital gain realized will be taxed at the Participant's personal income tax rate (plus solidarity surcharge and church tax, if applicable).

### **Withholding and Reporting**

The employer will withhold and report income tax (plus solidarity surcharge and church tax, if applicable) as well as social insurance contributions (to the extent Participant's income has not already exceeded the applicable annual contribution ceiling) when Shares are purchased for the Participant under the ESPP. It is the Participant's responsibility to pay and report any taxes due when he or she sells the Shares acquired under the ESPP and if dividends are paid unless the Participant's Shares are held by a German financial institution in a custodial account at the time of sale or dividend payment and the German financial institution withholds the applicable taxes due on the capital gains).

### **13.9 Tax Consequences - Greece**

The following summary is based on the income and social tax laws in effect in Greece as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Greek residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. This amount likely will be regarded as employment income subject to income tax at the Participant's progressive rate. Additionally, the Participant will be subject to social insurance

contributions on the discount to the extent you have not already exceeded the applicable contribution ceiling. The Participant also will be subject to a special solidarity surcharge. Due to the uncertainty of the tax treatment of shares purchased under the ESPP, the Participant is strongly advised to seek appropriate professional advice.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Greece on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Greek tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to tax at a flat rate, if certain preconditions are satisfied. The Participant also will be subject to a transfer tax on the gross sale proceeds.

### **Withholding and Reporting**

The employer will not withhold income tax but will withhold social insurance contributions. The employer will report income tax, social insurance contributions and the special solidarity surcharge due when Shares are purchased for the Participant under the ESPP. It is the Participant's responsibility to pay and report any taxes due when he or she purchases or sells the Shares acquired under the ESPP and if dividends are paid.

### **13.10 Tax Consequences - Hungary**

The following summary is based on the income and social tax laws in effect in Hungary as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Hungarian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to healthcare contributions on the discount.

## **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax and healthcare contributions in Hungary on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. Please note, that if the Shares are traded in a regulated market of any EEA member states, then the healthcare contributions do not have to be paid after the dividends are received. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Hungarian tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to tax at a flat rate.

## **Withholding and Reporting**

The employer is not required to report any income the Participant receives under the ESPP or withhold any income tax. The Participant is solely responsible for reporting and paying any income tax and healthcare contributions due as a result of his or her participation in the ESPP. The Participant is required to pay advance tax every three months (the deadline is the 12th day of the month following the third month of the relevant period). The Participant should keep all receipts in connection with the transaction for five years, as these receipts must be presented to the Hungarian tax authorities upon request.

### **13.11 Tax Consequences - Ireland**

The following summary is based on the income and social tax laws in effect in Ireland as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Irish residents for tax purposes. If the Participant is a resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

## **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax, Pay Related Social Insurance (“PRSI”) and the Universal Social Charge (“USC”) on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. The USC applies at varying rates depending on the Participant’s income level.

The Participant must pay income tax, the USC and PRSI, on account, to the Collector General on the spread within 30 days of purchase together with the submission of a completed Form RTSO1. If the Participant is subject to income tax at the standard rate only because the Participant’s total taxable income does not exceed the standard rate threshold, the Participant may apply to the Irish Inspector of Taxes to pay the income tax, on account, at the standard rate. The requisite approval must be obtained in advance of paying the income tax. However, if the Participant does not receive permission within 30 days of purchase, the Participant may pay tax at the higher rate and seek a refund on any overpayment.

## Dividends

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax, USC and PRSI in Ireland on any dividends received, unless the Participant qualifies to be taxed on a remittance basis, even though the dividends paid on the Shares held in the Participant’s ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to an Irish tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## Sale of Shares

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase, less any expenses incidental to the sale (*e.g.*, broker fees)) will be subject to capital gains to the extent it exceeds the Participant’s annual exemption, unless the Participant is subject to tax on a remittance basis.

## Withholding and Reporting

The employer is not required to withhold income tax when shares are purchased for the Participant under the ESPP. However, the employer will report the grant of purchase rights and the purchase of Shares under the ESPP to the Revenue Commissioners. It is the Participant’s responsibility to pay and report any taxes due when Shares are purchased under the ESPP, when the Participant sell Shares acquired under the ESPP and if dividends are paid.

### 13.12 Tax Consequences - Italy

The following summary is based on the income and social tax laws in effect in Italy as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Italian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant’s particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the purchase price and the average price of Shares in the month preceding and including the date of purchase. However, because the ESPP is a broad-based program, the Participant should be eligible for an exemption from income tax and social insurance contributions on the discount up to a threshold of €2,065 per year, provided that the Participant does not sell the Shares acquired under the ESPP to the employer or to the issuer or, in the three years following the date of purchase, does not otherwise dispose of the shares. Any benefit exceeding the €2,065 threshold will be treated as employment income and taxed as such in the year of purchase.

If the Participant sells the Shares acquired under the ESPP to the employer or to the issuer or, in the three years following the date of purchase, otherwise disposes of the shares, the previously-exempted amount will be taxed and subject to social insurance contributions in the year of sale.

The discount will also be subject to any applicable surcharges, including municipal or regional surcharges as well as an extraordinary surcharge due on annual income in excess of a threshold amount.

The Participant should consult with his or her tax advisor for further details.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to withholding tax in Italy on any dividends received, even though the dividends paid on the Shares held in the Participant's ESPP account are automatically reinvested in HPE stock. In addition, the dividends will be subject to income tax in Italy and U.S. federal income withholding tax.

Any dividends, including non-cash dividends, net of the withholding taxes applied in U.S. are subject to a 26% Italian withholding tax, since it is highly likely that the participating employee holds a "non-qualified" shareholding (*i.e.*, 2% or less than 2% of the voting rights in the Company shareholders' meeting or 5% or less than 5% of the capital of the Company). In the unlikely event that the participating employee holds a "qualified shareholding" (*i.e.*, more than 2% of the voting rights in the Company shareholders' meeting or more than 5% of the capital of the Company) different rules on dividend taxation would apply. A participating employee is responsible for reporting any dividends he or she receives in his or her annual tax return and paying the applicable taxes, if no withholding tax has been previously applied on the same item of income.

### **Sale of Shares**

When the Participant subsequently sells the Shares acquired under the ESPP, the Participant will be subject to capital gains tax on any gain realized.

The capital gains realized will be subject to a 26% rate, since it is highly likely that the shares sold represent 2% or less than 2% of the voting rights in the Company shareholders' meeting (or 5% or less than 5% of the outstanding shares of the capital of the Company) (*i.e.*, is a "non-qualified" shareholding). If the stock exceeds the above percentage, different rules for determining the capital gain tax would apply.

If the shares were totally exempt from tax at purchase (i.e., when an exemption is available), the capital gain will be the difference between the sale price and the purchase price (i.e., the net profit). In case the spread has been previously taxed as employment income, the taxable capital gain is the difference between the sale price and the sum of the purchase price and the amount subject to taxation as employment income.

Capital gain (or losses) must be reported must be reported in the Participant's annual tax return and the applicable capital gains tax shall be paid, together with the personal income tax.

Alternatively, as a holder of non-qualified shareholdings, the Participant may elect to be subject to capital gains tax under one of two alternative capital gains tax regimes, both of which require the Participant to deposit the Shares acquired under the ESPP with a broker authorized by the Ministry of Finance. The Participant should speak with his or her personal tax advisor for additional information about these alternative capital gains tax regimes.

### **Withholding and Reporting**

The employer will withhold income tax and social insurance contributions on any portion of the discount at purchase that exceeds the EUR 2,065 exemption threshold or if the Participant sells his or her Shares to the employer or to the issuer or before the three-year holding period expires. In the event that the Participant sells his or her Shares to the employer or to the issuer or prior to the expiration of the three-year holding period, the Participant is required to inform his or her employer of such sale. Further, it is the Participant's responsibility to report any income realized from the sale of Shares or the receipt of any dividends and to pay any applicable taxes due on such income.

Any applicable surcharges will be calculated during a year-end payroll reconciliation and withheld from the Participant's salary at that time.

### **Foreign Financial Assets Tax**

The fair market value of the Shares, if held outside of Italy, will be subject to a foreign assets tax. The tax will apply at an annual rate of 0.2%. The fair market value is considered to be the value of the shares on the stock market on December 31 of each year or on the last day of holding of the Shares (in such case or when the shares are acquired during the course of the year, the tax is levied in proportion to the actual days of holding over the calendar year). If the shares are deposited with an Italian bank or financial intermediary, stamp duties at the same rates will apply.

Participant is responsible for reporting the foreign financial assets in the annual income tax return and for paying the tax.

### **13.13 Tax Consequences - Netherlands**

The following summary is based on the income and social tax laws in effect in the Netherlands as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Netherlands residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When the right to purchase Shares becomes unconditional (this likely will be at the time Shares are purchased), the Participant will be subject to income on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount (to the extent that he or she has not already exceeded his or her applicable contribution ceiling).

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will not be subject to income tax in the Netherlands on any dividends received, provided the Participant holds less than 5% of HPE's shares as a private investment. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Dutch tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Investment Tax**

The Participant will be subject to an investment yield tax at an effective rate of 1.2% based on the value of all of taxable assets (including shares acquired under the ESPP) held by the Participant on January 1 of the relevant calendar year, to the extent the value of such assets exceeds an annual exemption amount. The Participant is responsible for paying any investment tax due.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will not be subject to any capital gains tax, provided the Participant holds less than 5% of HPE's Shares as a private investment.

### **Withholding and Reporting**

The employer will withhold income tax and social insurance contributions (to the extent that the Participant has not exceeded the applicable contribution ceiling for social insurance contributions) when Shares are purchased for the Participant under the ESPP. It is the Participant's responsibility to pay and report any taxes due when the Participant sells Shares acquired under the ESPP and if dividends are paid.

#### **13.14 Tax Consequences - Norway**

The following summary is based on the income and social tax laws in effect in Norway as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Norwegian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry



Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount. A minor reduction of the taxable amount may be available.

### **Wealth Tax**

The Participant will be subject to wealth tax on Shares held at year-end. The taxable amount is the fair market value of the shares held on January 1 in the year following the relevant tax year.

The Participant's stock purchase right held on January 1 in the year following the relevant tax year may be subject to wealth tax, however if the Participant's stock purchase rights are conditional (*e.g.*, if the Participant needs to be employed on the purchase date to purchase Shares), an exemption from the wealth tax may be available.

### **Exit Tax**

The Participant may be subject to income tax and/or capital gains tax on Shares held in his or her ESPP account at the time of emigration if the Participant leaves Norway. *The Participant should consult with his or her personal tax advisor regarding tax obligations if emigrating from Norway.*

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Norway on any dividends received. Certain adjustment may be available that will reduce the dividend income. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Norwegian tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase). The Participant must apply matching rules to determine his or her capital gains or losses using the FIFO method (First-In-First-Out). The Employee may be able to deduct an allowance when calculating the taxable amount of capital gains.

## Withholding and Reporting

The employer is required to withhold income tax and social security contributions on the discount at purchase and to report the discount to the appropriate tax authorities. The Participant is responsible for filing an annual income tax return, reporting the amounts described above and payment of applicable taxes.

### 13.15 Tax Consequences - Poland

The following summary is based on the income and social tax laws in effect in Poland as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Poland residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### Enrollment in the ESPP

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### Purchase of Shares

When Shares are purchased under the ESPP, the Participant will likely be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Because the employer does not reimburse the Company for the costs of the ESPP and does not promise or grant ESPP rights in the employment contract, the discount will likely be characterized as "income from other sources" and, as such, the Participant will not be subject to social insurance contributions on the discount. However, it cannot be ruled out entirely that the discount will be characterized as "employment income" and, thus, taxed in the same manner as the Participant's normal salary. If the discount is characterized as "employment income," the Participant will be subject to social insurance contributions on the discount (to the extent the applicable wage ceiling has not been exceeded). *Because of the uncertainty as to how the income from the ESPP is taxed in Poland, the Participant is strongly advised to seek appropriate professional advice regarding the taxation of the discount and any Shares acquired from participating in the ESPP.*

### Dividends

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Poland on any dividends received. Certain adjustment may be available that will reduce the dividend income. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Polish tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## Sale of Shares

When the Participant subsequently sells any Shares purchased under the ESPP, the Participant will be subject to tax on the sale proceeds less his or her tax base in the Shares. The Participant's tax base may be the price paid for the Shares (plus any brokerage or similar fees), in which case a portion of the sale proceeds would be subject to double taxation if the Participant paid tax at purchase. However, it is likely that the Participant will be permitted to increase his or her tax base by the amount of income already subject to tax at purchase (*i.e.*, the discount). In this case, the Participant would be subject to tax on the difference between the sale proceeds less the fair market value of the Shares at purchase. The Participant is strongly encouraged to consult his or her personal tax advisor or the tax authorities regarding the taxable amount at the time of sale of the Shares.

## Withholding and Reporting

Because the income likely qualifies as income from other sources, the employer will not withhold applicable taxes due on the discount at purchase. It will be the Participant's responsibility to report any income the Participant realizes from the purchase of Shares under the ESPP or the sale of such Shares and pay any applicable taxes due on such income.

However, since the Polish tax treatment of the discount is uncertain, in the event that the Company determines that it is necessary or advisable to treat the discount at purchase as "employment income," the employer will withhold applicable taxes due on such income and remit the withheld amounts to Polish tax authorities on the Participant's behalf. In this case, in the event that the amount withheld by the employer is lower than the Participant's actual tax liability, the Participant will be required to pay any excess amounts owed directly to Polish tax authorities.

### 13.16 Tax Consequences - Portugal

The following summary is based on the income and social tax laws in effect in Portugal as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Portuguese residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

## Enrollment in the ESPP

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the

Purchase Price. Additionally, the Participant will be subject to social insurance contributions on the discount.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Portugal on any dividends received. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Portuguese tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to capital gains tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase).

### **Withholding and Reporting**

The employer is not required to withhold income tax due on the discount at the time the Shares are purchased. However, the employer will report the discount to Portuguese tax authorities. The Participant also is required to report the discount in his or her annual tax return and pay any taxes resulting from the purchase of Shares, the sale of Shares or receipt of any dividends.

### **13.17 Tax Consequences - Romania**

The following summary is based on the income and social tax laws in effect in Romania as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Romanian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

While taxation under a plan such as the ESPP is not addressed in the general income taxation provision of the Romanian Fiscal Code, the Participant likely is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant likely will be subject to salary income tax and to social insurance contributions on the difference between the market value and the purchase price. This is valid until December 31, 2015. Starting January 1, 2016 the Plan may fall under the definition of a tax exempt stock option plan.

## **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Romania on any dividends received. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Romanian tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to capital gains tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase).

## **Withholding and Reporting**

The employer is not required to withhold the salary income tax. The Participant is responsible for paying and reporting any taxes due on the sale of Shares acquired under the ESPP and if dividends are paid. The Company is required to declare and pay the individual contributions withheld from the Participants.

### **13.18 Tax Consequences - Slovakia**

The following summary is based on the income and social tax laws in effect in Slovakia as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Slovakian residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

## **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to social security and health insurance contributions on the discount (to the extent the applicable contribution ceilings have not been exceeded).

## **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will not be subject to income tax in Slovakia on any dividends received. However, dividends will be subject to health insurance

contributions to the extent the Participant has not already exceeded the applicable contribution ceiling. In addition, the dividends will be subject to U.S. federal income withholding tax.

### **Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase, less expenses related to the sale of Shares). A set annual amount of the taxable income may be exempt from income taxation under certain circumstances. The Participant also will be subject to health insurance contributions on any capital gains to the extent the Participant has not already exceeded the applicable contribution ceiling. *The Participant should consult with his or her personal tax advisor regarding the taxation at sale of Shares acquired under the ESPP.*

### **Withholding and Reporting**

The employer will withhold income tax, social security and health insurance contributions when the Shares are purchased for the Participant under the ESPP. The Participant is responsible for paying and reporting any taxes due on the sale of Shares acquired under the ESPP and if dividends are paid.

### **13.19 Tax Consequences - Sweden**

The following summary is based on the income and social tax laws in effect in Sweden as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are Swedish residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

### **Enrollment in the ESPP**

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the date of purchase and the Purchase Price.

### **Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Sweden on any dividends received at a flat rate of 30%. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Swedish tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

## Sale of Shares

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to capital gains tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase).

## Withholding and Reporting

The employer is required to report the discount as income to the Participant and withhold preliminary income tax due on such income. The Participant must inform his or her employer, no later than the end of the month following purchase, that he or she has purchased Shares under the ESPP and disclose the discount. The Participant must report the discount in his or her annual income tax return and pay any taxes due in excess of the amount withheld by his or her employer. It is also the Participant's responsibility to report any income resulting from the sale of Shares or receipt of any dividends and pay any taxes due on such income.

### 13.20 Tax Consequences - United Kingdom

The following summary is based on the income and social tax laws in effect in United Kingdom as of the date of this prospectus. Tax and other laws are complex and can change frequently. As a result, the information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

The following applies only to Participants who are United Kingdom residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax result.

*Participants are strongly encouraged to consult with their personal tax advisors regarding how the tax and other laws in their country apply to their particular situations.*

## Enrollment in the ESPP

The Participant is not subject to tax when he or she enrolls in the ESPP (or is offered the opportunity to participate in the ESPP).

## Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the market value of the Shares on the date of purchase and the Purchase Price. Additionally, the Participant will be subject to National Insurance contributions ("NICs") on the discount.

## Dividends

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in the United Kingdom on any dividends received (however, no NICs are due on dividends). The Participant must report and pay any income tax due on the receipt of HPE Share dividends directly to the United Kingdom tax authorities via the self-assessment regime. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a United Kingdom tax credit for the U.S. withholding taxes paid, provided certain conditions are met.

### **Sale of Shares**

When the Participant subsequently sells the Shares acquired under the ESPP, any capital gain (*i.e.*, the amount by which the sale price exceeds the market value of the Shares on the date of purchase) will be subject to the capital gains tax regime. Capital gains tax is payable to the extent that the capital gain, when aggregated with the Participant's total gains from all other sources in the tax year, exceeds the annual exempt amount. Any capital gains tax due must be reported and paid by the Participant directly to the United Kingdom tax authorities via the self-assessment regime.

The Participant must consider the share identification rules when calculating his or her capital gains. The Participant should consult with his or her personal tax advisor for additional details.

### **Withholding and Reporting**

The employer will report the discount to the United Kingdom tax authorities and will withhold applicable income tax and NICs due on such income. It is the Participant's responsibility to report any gains realized from sale of Shares and/or any income realized from the receipt of dividends and to pay any applicable taxes due on such gains/income directly to the United Kingdom tax authorities via the self-assessment regime.



**EXHIBIT**

**EXHIBIT I**

**HEWLETT PACKARD ENTERPRISE COMPANY  
2015 EMPLOYEE STOCK PURCHASE PLAN**

**HEWLETT PACKARD ENTERPRISE COMPANY**  
**2015 EMPLOYEE STOCK PURCHASE PLAN**

**1. PURPOSE.**

The purpose of this Plan is to provide an opportunity for Employees of Hewlett Packard Enterprise Company (the "Corporation") and its Designated Affiliates to purchase Common Stock of the Corporation and thereby to have an additional incentive to contribute to the prosperity of the Corporation. It is the intention of the Corporation that the Plan qualify as an "Employee Stock Purchase Plan" under Section 423 of the Internal Revenue Code of 1986, as amended, although the Corporation makes no undertaking nor representation to maintain such qualification. In addition, this Plan document authorizes the grant of options under a non-423 Plan which do not qualify under Section 423 of the Code pursuant to rules, procedures or sub-plans adopted by the Board (or its designate) designed to achieve desired tax or other objectives.

**2. DEFINITIONS.**

- (a) **"Affiliate"** shall mean any (i) Subsidiary and (ii) any other entity other than the Corporation in an unbroken chain of entities beginning with the Corporation if, at the time of the granting of the option, each of the entities, other than the last entity in the unbroken chain, owns or controls 50 percent or more of the total ownership interest in one of the other entities in such chain.
  - (b) **"Board"** shall mean the Board of Directors of the Corporation.
  - (c) **"Code"** shall mean the Internal Revenue Code of 1986, of the USA, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.
  - (d) **"Code Section 423 Plan"** shall mean an employee stock purchase plan which is designed to meet the requirements set forth in Code Section 423.
  - (e) **"Committee"** shall mean the committee appointed by the Board in accordance with Section 14 of the Plan.
  - (f) **"Common Stock"** shall mean the Common Stock of the Corporation, or any stock into which such Common Stock may be converted.
  - (g) **"Compensation"** shall mean an Employee's base cash compensation (including 13<sup>th</sup>/14<sup>th</sup> month payments or similar concepts under local law), commissions and shift premiums paid on account of personal services rendered by the Employee to the Corporation or a Designated Affiliate, but shall exclude payments for overtime, incentive compensation, incentive payments and bonuses, with any modifications determined by the Committee. The Committee shall have the authority to determine and approve all forms of pay to be included in the definition of Compensation and may change the definition on a prospective basis.
  - (h) **"Contributions"** shall mean the payroll deductions (to the extent permitted under applicable local law) and other additional payments that the Corporation may allow to be made by a Participant to fund the exercise of options granted pursuant to the Plan if payroll deductions are not permitted under applicable local law.
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- (i) **“Corporation”** shall mean Hewlett Packard Enterprise Company, a Delaware corporation.
  - (j) **“Designated Affiliate”** shall mean an Affiliate, whether now existing or existing in the future, that has been designated by the Committee as eligible to participate in the Plan with respect to its Employees. In the event the Designated Affiliate is not a Subsidiary, it shall be designated for participation in the Non-423 Plan.
  - (k) **“Employee”** shall mean an individual classified as an employee (within the meaning of Code Section 3401(c) and the regulations thereunder or as otherwise determined under applicable local law) by the Corporation or a Designated Affiliate on the Corporation’s or such Designated Affiliate’s payroll records during the relevant participation period. Employees shall not include individuals whose customary employment is for not more than five (5) months in any calendar year (except those Employees in such category the exclusion of whom is not permitted under applicable local law) or individuals classified as independent contractors.
  - (l) **“Entry Date”** shall mean the first Trading Day of the Offering Period, or, for new Participants, the first Trading Day of their first Purchase Period.
  - (m) **“Fair Market Value”** shall be the closing sales price for the Common Stock (or the closing bid, if no sales were reported) as quoted on the New York Stock Exchange on the date of determination if that date is a Trading Day, or if the date of determination is not a Trading Day, the last market Trading Day prior to the date of determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable.
  - (n) **“Non-423 Plan”** shall mean an employee stock purchase plan which does not meet the requirements set forth in Code Section 423.
  - (o) **“Offering Period”** shall mean the period of up to 24 months during which an option granted pursuant to the Plan may be exercised. Notwithstanding the foregoing, unless changed by the Committee, “Offering Period” shall mean a period of approximately six (6) months and Offering Periods shall commence on the first Trading Day on or after November 1 and May 1 of each year and terminate on the last Trading Day, respectively, of April and October. The duration and timing of Offering Periods may be changed or modified by the Committee pursuant to Section 4. The first Offering Period shall commence on the Plan’s effective date.
  - (p) **“Participant”** shall mean a participant in the Plan as described in Section 5 of the Plan.
  - (q) **“Plan”** shall mean this Employee Stock Purchase Plan which includes: (i) a Code Section 423 Plan and (ii) a Non-423 Plan.
  - (r) **“Purchase Date”** shall mean the last Trading Day of each Purchase Period.
  - (s) **“Purchase Period”** shall mean the period of six (6) months commencing after one Purchase Date and ending with the next Purchase Date, except that the first Purchase Period shall commence on the Plan’s effective date. Subsequent Purchase Periods, if any, shall
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run consecutively after the termination of the preceding Purchase Period. Notwithstanding the foregoing, subject to the Committee's discretion to modify Offering Periods and Purchase Periods, "Purchase Period" shall mean the six (6) month period commencing on the first day of an Offering Period and ending on the last day of such Offering Period.

- (t) **"Purchase Price"** shall mean 95% of the Fair Market Value of a share of Common Stock on the Purchase Date; provided however, that the Committee may elect with respect to future Offering Periods to establish the Purchase Price as a price that is no less than 85% of the Fair Market Value of a share of Common Stock on the Entry Date or the Purchase Date, whichever is lower; provided however, that the Purchase Price may be adjusted by the Committee pursuant to Sections 7.4 and 10.
- (u) **"Shareowner"** shall mean a record holder of shares entitled to vote shares of Common Stock under the Corporation's by-laws.
- (v) **"Subsidiary"** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, as described in Code Section 424(f).
- (w) **"Tax-Related Items"** shall mean any income tax, social insurance, payroll tax, payment on account or other tax-related items arising in relation to the Participant's participation in the Plan.
- (x) **"Trading Day"** shall mean a day on which U.S. national stock exchanges and the national market system are open for trading.

### **3. ELIGIBILITY.**

Any Employee regularly employed on a full-time or part-time (20 hours or more per week on a regular schedule) basis, or on any other basis as determined by the Corporation (if required under applicable local law) for purposes of the Non-423 Plan or any separate offering under the Code Section 423 Plan, by the Corporation or by any Designated Affiliate on an Entry Date shall be eligible to participate in the Plan with respect to the Offering Period commencing on such Entry Date, provided that the Committee may establish administrative rules requiring that employment commence some minimum period (e.g., one pay period) prior to an Entry Date to be eligible to participate with respect to the Offering Period beginning on that Entry Date. The Committee may also determine that a designated group of highly compensated Employees are ineligible to participate in the Plan so long as the excluded category fits within the definition of "highly compensated employee" in Code Section 414(q). No Employee may participate in the Plan if immediately after an option is granted the Employee owns or is considered to own (within the meaning of Code Section 424(d)) shares of stock, including stock which the Employee may purchase by conversion of convertible securities or under outstanding options granted by the Corporation, possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Corporation or of any of its Subsidiaries. All Employees who participate in the same offering under the Plan shall have the same rights and privileges under such offering, except for differences that may be needed to facilitate compliance with applicable local law, as determined by the Corporation and that are consistent with Code Section 423(b)(5); provided, however, that Employees participating in the Non-423 Plan by means of rules, procedures or sub-plans adopted pursuant to Section 15 need not have the same rights and privileges as Employees participating in the Code Section 423 Plan. The Board may impose restrictions on eligibility and participation of Employees who are officers and directors to facilitate compliance with federal or state securities laws or foreign laws.

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Any individual who is an Eligible Employee and who is a participant in the Hewlett- Packard Company 2011 Employee Stock Purchase Plan immediately prior to the first Offering Period shall be automatically enrolled in the first Offering Period at the same contribution rate.

#### **4. OFFERING PERIODS.**

The Plan shall be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day after the completion of the prior Offering Period, or on such other date as the Committee shall determine, and continuing thereafter for six (6) months or until terminated pursuant to Section 13 hereof. Notwithstanding the foregoing, the Committee shall have the authority to change the duration of Offering Periods to cover a period of up to 24 months, or to change the commencement dates thereof, including the implementation of overlapping Offering Periods pursuant to which Participants will be deemed to enroll in a new Offering Period if the Fair Market Value of a share of Common Stock on a Purchase Date is lower than the Fair Market Value of a share of Common Stock on the Entry Date of the relevant Offering Period, with respect to future offerings without Shareowner approval if such change is announced at least five (5) days prior to the scheduled beginning of the first Offering Period to be affected thereafter.

#### **5. PARTICIPATION.**

- 5.1 An Employee who is eligible to participate in the Plan in accordance with Section 3 may become a Participant by completing and submitting, on a date prescribed by the Committee prior to an applicable Entry Date, a completed payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other authorization stating the amount of Contributions to the Plan, expressed as any whole percentage up to ten percent (10%) of the eligible Employee's Compensation, and Plan enrollment form provided by the Corporation or by following an electronic or other enrollment process as prescribed by the Committee. Where applicable local law prohibits payroll deductions for the purpose of the Plan, the Corporation may permit a Participant to contribute amounts to the Plan through payment by cash, check or other means set forth in the Plan enrollment form prior to each Purchase Date. An eligible Employee may authorize Contributions at the rate of any whole percentage of the Employee's Compensation, not to exceed ten percent (10%) of the Employee's Compensation. All payroll deductions may be held by the Corporation and commingled with its other corporate funds where administratively appropriate, except where applicable local law requires that Contributions to the Plan from Participants be segregated from the general corporate funds and/or deposited with an independent third party. No interest shall be paid or credited to the Participant with respect to such Contributions, unless required by local law. The Corporation shall maintain a separate bookkeeping account for each Participant under the Plan and the amount of each Participant's Contributions shall be credited to such account. A Participant may not make any additional payments into such account.
  - 5.2 Under procedures established by the Committee, a Participant may withdraw from the Plan during an Offering Period, by completing and filing a new payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other Contribution authorization and Plan enrollment form with the Corporation or by following electronic or other procedures prescribed by the Committee, prior to the change enrollment deadline established by the Corporation. If a Participant withdraws from the Plan during an Offering Period, his or her accumulated Contributions will be refunded to the Participant without interest. The Committee may establish rules limiting the frequency with which Participants may withdraw and re-enroll in the Plan and may impose a waiting period on Participants wishing to re-enroll following withdrawal.
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- 5.3 A Participant may change his or her rate of Contributions at any time by filing a new payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other authorization stating the amount of Contributions to the Plan expressed as any whole percentage up to ten percent (10%) of the eligible Employee's Compensation and Plan enrollment form or by following electronic or other procedures prescribed by the Committee. If a Participant has not followed such procedures to change the rate of Contributions, the rate of Contributions shall continue at the originally elected rate throughout the Offering Period and future Offering Periods. In accordance with Section 423(b)(8) of the Code, the Committee may reduce a Participant's Contributions to zero percent (0%) at any time during an Offering Period.

## **6. TERMINATION OF EMPLOYMENT.**

In the event any Participant terminates employment with the Corporation or any of its Designated Affiliates for any reason (including death) prior to the expiration of an Offering Period, the Participant's participation in the Plan shall terminate and all amounts credited to the Participant's account shall be paid to the Participant or, in the case of death, to the Participant's heirs or estate, without interest. Whether a termination of employment has occurred shall be determined by the Committee. The Committee may also establish rules regarding when leaves of absence or changes of employment status will be considered to be a termination of employment, including rules regarding transfer of employment among Designated Affiliates, Affiliates and the Corporation, and the Committee may establish termination-of-employment procedures for this Plan that are independent of similar rules established under other benefit plans of the Corporation and its Affiliates.

## **7. OFFERING.**

- 7.1 Subject to adjustment as set forth in Section 10, the maximum number of shares of Common Stock that may be issued pursuant to the Plan shall be 80,000,000. If, on a given Purchase Date, the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Plan, the Corporation shall make a pro rata allocation of the shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable. For avoidance of doubt, the limitation set forth in this Section may be used to satisfy purchases of shares of Common Stock under either the Code Section 423 Plan or the Non-423 Plan.
- 7.2 Each Offering Period shall be determined by the Committee. Unless otherwise determined by the Committee, the Plan will operate with successive six (6) month Offering Periods commencing at the beginning of each fiscal year half. The Committee shall have the power to change the duration of future Offering Periods, without Shareowner approval, and without regard to the expectations of any Participants.
- 7.3 Each eligible Employee who has elected to participate as provided in Section 5.1 shall be granted an option to purchase that number of shares of Common Stock (not to exceed 5,000 shares, subject to adjustment under Section 10 of the Plan) which may be purchased with the Contributions accumulated on behalf of such Employee during each Offering Period at the Purchase Price specified in Section 7.4 below, subject to the additional limitation that no Employee shall be granted an option to purchase Common Stock under the Plan at a rate which exceeds U.S. twenty-five thousand dollars (U.S. \$25,000) of the Fair Market Value
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of such Common Stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time. For purposes of the Plan, an option is “granted” on a Participant’s Entry Date. An option will expire upon the earlier to occur of (i) the termination of a Participant’s participation in the Plan; or (ii) the termination of an Offering Period. This section shall be interpreted so as to comply with Code Section 423(b)(8).

- 7.4 The Committee has the right to establish that the Purchase Price under each option shall be the lower of: (i) a percentage (not less than eighty-five percent (85%)) established by the Committee (“Designated Percentage”) of the Fair Market Value of the Common Stock on the Entry Date on which an option is granted, or (ii) the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date on which the Common Stock is purchased. The Committee may change the Designated Percentage with respect to any future Offering Period, but not below eighty-five percent (85%), and the Committee may determine with respect to any prospective Offering Period that the Purchase Price shall be the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date.
- 7.5 For purposes of the Code Section 423 Plan only, and unless the Committee otherwise determines, each Designated Affiliate shall be deemed to participate in a separate offering from the Corporation or any other Designated Affiliate, provided that the terms of participation within any such offering are the same for all Participants in such offering, to comply with Code Section 423.

## **8. PURCHASE OF STOCK.**

Upon the expiration of each Purchase Period, a Participant’s option shall be exercised automatically for the purchase of that number of whole shares of Common Stock which the accumulated Contributions credited to the Participant’s account at that time shall purchase at the applicable Purchase Price. Notwithstanding the foregoing, the Corporation or its designee may make such provisions and take such action as it deems necessary or appropriate for the withholding of Tax-Related Items which the Corporation or its Designated Affiliate is required or permitted by applicable law or regulation of any governmental authority to withhold. Each Participant, however, shall be responsible for payment of all individual Tax-Related Items arising under the Plan.

## **9. PAYMENT AND DELIVERY.**

As soon as practicable after the exercise of an option, the Corporation shall deliver to the Participant a record of the Common Stock purchased and the balance of any amount of Contributions credited to the Participant’s account not used for the purchase, except as specified below. The Committee may permit or require that shares delivered to a Participant be deposited directly with a broker designated by the Committee or with a designated agent of the Corporation, and the Committee may utilize electronic or automated methods of share transfer. The Committee may require that shares be held by such broker or agent for a designated period and/or may establish, for purposes of the Code Section 423 Plan, procedures to permit tracking of disqualifying dispositions of such shares. The Corporation shall retain the amount of payroll deductions used to purchase Common Stock as payment for the Common Stock and the Common Stock shall then be fully paid and non-assessable. No Participant shall have any voting, dividend, or other Shareowner rights with respect to shares subject to any option granted under the Plan until the shares subject to the option have been purchased and delivered to the Participant as provided in this Section 9.

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## **10. RECAPITALIZATION.**

If after the grant of an option, but prior to the purchase of Common Stock under the option, there is any increase or decrease in the number of outstanding shares of Common Stock because of a stock split, stock or extraordinary cash dividend, combination or recapitalization of shares subject to options, the number of shares to be purchased pursuant to an option, the price per share of Common Stock covered by an option and the maximum number of shares specified in Section 7.1 shall be appropriately adjusted by the Board, and the Board shall take any further actions which, in the exercise of its discretion, may be necessary or appropriate for an equitable adjustment under the circumstances.

The Board's determinations under this Section 10 shall be conclusive and binding on all parties.

## **11. MERGER, LIQUIDATION, OTHER CORPORATION TRANSACTIONS.**

In the event of the proposed liquidation or dissolution of the Corporation, the Offering Period will terminate immediately prior to the consummation of such proposed transaction, unless otherwise provided by the Board in its sole discretion, and all outstanding options shall automatically terminate and the amounts of all payroll deductions, or other form of Contributions where applicable, will be refunded without interest (except as may be required by applicable local law, as determined by the Corporation) to the Participants.

In the event of a proposed sale of all or substantially all of the assets of the Corporation, or the merger or consolidation of the Corporation with or into another corporation, then in the sole discretion of the Board, (1) each option shall be assumed or an equivalent option shall be substituted by the successor corporation or parent or subsidiary of such successor corporation, (2) a date established by the Board on or before the date of consummation of such merger, consolidation or sale shall be treated as a Purchase Date, and all outstanding options shall be exercised on such date, or (3) all outstanding options shall terminate and the accumulated Contributions will be refunded without interest to the Participants.

## **12. TRANSFERABILITY.**

Options granted to Participants may not be voluntarily or involuntarily assigned, transferred, pledged, or otherwise disposed of in any way, and any attempted assignment, transfer, pledge, or other disposition shall be null and void and without effect. If a Participant in any manner attempts to transfer, assign or otherwise encumber his or her rights or interests under the Plan, other than as set forth in Section 22 and as permitted by the Code, such act shall be treated as an election by the Participant to discontinue participation in the Plan pursuant to Section 5.2.

## **13. AMENDMENT OR TERMINATION OF THE PLAN.**

13.1 The Plan shall continue in effect until the ten-year anniversary of the effective date of the Plan set forth in Section 20 unless otherwise terminated earlier in accordance with Section 13.2.

13.2 The Board may, in its sole discretion, insofar as permitted by law, terminate or suspend the Plan, or revise or amend it in any respect whatsoever, except that, without approval of the Shareowners, no such revision or amendment shall increase the number of shares subject to the Plan, other than an adjustment under Section 10 of the Plan or materially increase the class of Employees eligible to participate in the Plan.

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#### **14. ADMINISTRATION.**

The Board shall appoint a Committee consisting of at least two members who will serve for such period of time as the Board may specify and whom the Board may remove at any time. The Committee will have the authority and responsibility for the day-to-day administration of the Plan, the authority and responsibility specifically provided in this Plan and any additional duty, responsibility and authority delegated to the Committee by the Board, which may include any of the functions assigned to the Board in this Plan. The Committee may delegate to one or more individuals the day-to-day administration of the Plan. The Committee shall have full power and authority to promulgate any rules and regulations which it deems necessary for the proper administration of the Plan, to interpret the provisions and supervise the administration of the Plan, to designate Designated Affiliates under the Plan, to make factual determinations relevant to Plan entitlements and to take all action in connection with administration of the Plan as it deems necessary or advisable, consistent with the delegation from the Board. Decisions of the Board and the Committee shall be final and binding upon all participants. Any decision reduced to writing and signed by a majority of the members of the Committee shall be fully effective as if it had been made at a meeting of the Committee duly held. The Corporation shall pay all expenses incurred in the administration of the Plan. No Board or Committee member shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

#### **15. COMMITTEE RULES FOR FOREIGN JURISDICTIONS AND THE NON-423 PLAN.**

- 15.1 The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of Contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of share issuances which vary with local legal requirements.
- 15.2 The Committee may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations, which rules, procedures or sub-plans may be designed to be outside the scope of Code Section 423. The terms of such rules, procedures or sub-plans may take precedence over other provisions of this Plan, with the exception of Section 7.1, but unless otherwise expressly superseded by the terms of such rule, procedure or sub-plan, the provisions of this Plan shall govern the operation of the Plan. To the extent inconsistent with the requirements of Code Section 423, such rules, procedures or sub-plans shall be considered part of the Non-423 Plan, and the options granted thereunder shall not be considered to comply with Section 423.

#### **16. SECURITIES LAWS REQUIREMENTS.**

The Corporation shall not be under any obligation to issue Common Stock upon the exercise of any option unless and until the Corporation has determined that: (i) it and the Participant have taken all actions required to register the Common Stock under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder or to perfect an exemption from the registration requirements thereof; (ii) any applicable listing requirement of any stock exchange on which the Common Stock is listed has been satisfied; and (iii) all other applicable provisions of state, federal and applicable foreign law have been satisfied.

#### **17. GOVERNMENTAL REGULATIONS.**

This Plan and the Corporation's obligation to sell and deliver shares of its stock under the Plan shall be subject to the approval of any governmental authority required in connection with the Plan or the authorization, issuance, sale, or delivery of stock hereunder.

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## **18. NO ENLARGEMENT OF EMPLOYEE RIGHTS.**

Nothing contained in this Plan shall be deemed to give any Employee the right to be retained in the employ or service of the Corporation or any Designated Affiliate or to interfere with the right of the Corporation or Designated Affiliate to discharge any Employee at any time.

## **19. GOVERNING LAW.**

This Plan shall be governed by the laws of the State of Delaware, U.S.A., without regard to that State's choice of law rules.

## **20. EFFECTIVE DATE.**

This Plan shall become effective upon its approval by the Shareowners of the Corporation.

## **21. REPORTS.**

Individual accounts shall be maintained for each Participant in the Plan. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of Contributions, the Purchase Price, the number of shares purchased and the remaining cash balance, if any.

## **22. DESIGNATION OF BENEFICIARY FOR OWNED SHARES.**

With respect to shares of Common Stock purchased by the Participant pursuant to the Plan and held in an account maintained by the Corporation or its assignee on the Participant's behalf, the Participant may be permitted to file a written designation of beneficiary. The Participant may change such designation of beneficiary at any time by written notice. Subject to applicable local legal requirements, in the event of a Participant's death, the Corporation or its assignee shall deliver such shares of Common Stock to the designated beneficiary.

Subject to applicable local law, in the event of the death of a Participant and in the absence of a beneficiary validly designated who is living at the time of such Participant's death, the Corporation shall deliver such shares of Common Stock to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Corporation), the Corporation in its sole discretion, may deliver (or cause its assignee to deliver) such shares of Common Stock to the spouse, dependent or relative of the Participant, or if no spouse, dependent or relative is known to the Corporation, then to such other person as the Corporation may determine.

## **23. CODE SECTION 409A; QUALIFICATION OF PLAN.**

Options to purchase shares under the Code Section 423 Plan are exempt from the application of Section 409A of the Code. Options granted under the Non-423 Plan are intended to be exempt from the application of Section 409A under the short-term deferral exemption and any ambiguities shall be construed and interpreted in accordance with such intent. Options granted to U.S. taxpayers under the Non-423 Plan are subject to such terms and conditions that will permit such options to satisfy the requirements of the short-term deferral exception available under Section 409A, including the requirement that the shares subject to an option be delivered within the short-term deferral period. In the case of a Participant who would otherwise be subject to Section 409A, to the extent the Corporation determines that an option or the exercise, payment, settlement or deferral thereof is subject to Section Code 409A, the option will be granted, exercised, paid, settled or deferred in a manner that will comply

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with Code Section 409A, including U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Anything in the foregoing to the contrary notwithstanding, the Corporation shall have no liability to a Participant or any other party if the option that is intended to be exempt from, or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Corporation with respect thereto.

Although the Corporation may endeavor to (i) qualify on option for favorable tax treatment under the laws of the U.S. or jurisdictions outside of the U.S. or (ii) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Corporation makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Corporation is not constrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

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**CROSS-REFERENCE LISTS**

**ANNEX I**

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE REGISTRATION DOCUMENT  
(SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Statutory Auditors</b>		
2.1.	Names and addresses of the issuer's auditors	Part II - Section B	73 (10.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
<b>3.</b>	<b>Selected Financial Information</b>		
3.1.	Selected historical financial information	Part II - Section B	71 - 73 (10.1 Selected Financial Data)
3.2.	Interim periods	Part II - Section B	71 - 73 (10.1 Selected Financial Data)
<b>4.</b>	<b>Risk Factors</b>	Part II - Section A	18 - 45 (Risk Factors)
<b>5.</b>	<b>Information about the Issuer</b>		
<b>5.1.</b>	<b>History and Development of the Issuer</b>		
5.1.1.	the legal and commercial name of the issuer;	Part I - Section B	5 (B.1 Legal and Commercial

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Item #	Item contents	Chapter/Exhibit	Page
			Name of the Issuer)
<b>12.</b>	<b>Trend Information</b>		
12.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.	Part I - Section B	7 - 8 (B.4a Recent Trends)
12.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part II - Section A	18 - 45 (Risk Factors)
		Part I - Section B	7 - 8 (B.4a Recent Trends)
<b>13.</b>	<b>Profit Forecasts or Estimates</b>	Not applicable	Not applicable
<b>14.</b>	<b>Administrative, Management, Supervisory Bodies and Senior Management</b>		
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  a) members of the administrative, management or supervisory bodies;	Part II - Section B	58 - 61 (7.1 Board of Directors Following the Separation and  67 - 69 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	Not applicable	Not applicable
	c) founders, if the issuer has been established for fewer than five years; and	Not applicable	Not applicable
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Part II - Section B	61 - 63 (7.2 Executive Officers a Following the Separation and  67 - 69 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)

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Item #	Item contents	Chapter/Exhibit	Page
	The nature of any family relationship between any of those persons.	Part II - Section B	64 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
	<p>In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.</p>	Part II - Section B	<p>58 - 61 (7.1 Board of Directors Following the Separation) and</p> <p>61 - 63 (7.2 Executive Officers a Following the Separation)</p>
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>	Part II - Section B	64 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Part II - Section B	64 - 67 (7.4 Conflicts of

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<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
			Interest)
<b>17.</b>	<b>Employees</b>		
17.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1.	Part II - Section B	67 - 69 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
17.3	Description of any arrangements for involving the employees in the capital of the issuer.	Exhibit I	All sections
		Part II - Section B	69 - 71 (8.2 Stock Plans)
<b>20.7.</b>	<b>Dividend policy</b>		
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information	Part II - Section B	49 (Dividend Rights)
20.8.	Legal and arbitration proceedings	Part II - Section B	73 - 80 (XI. Legal Proceedings)
20.9.	Significant change in the issuer's financial or trading position since the end of the last financial period	Not applicable	Not applicable
<b>23.</b>	<b>Third Party Information and Statement by Experts and Declarations of Any Interest</b>		
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced.	Not applicable	Not applicable
<b>24.</b>	<b>Documents on Display</b>	Part II - Section B	80 (XII. Documents on Display)



**ANNEX III**

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE SECURITIES NOTE  
(SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus.	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Risk Factors</b>	Part II - Section A	18 - 45 (Risk Factors)
<b>3.</b>	<b>Essential Information</b>		
3.1	Working capital Statement	Part II - Section B	71 (IX. Working Capital Statement)
3.2	Capitalization and indebtedness	Part II - Section B	52 - 57 (V. Statement of Capitalization and Indebtedness as of July 31, 2015)
3.4	Reasons for the offer and use of proceeds	Part II - Section B	45 (1.1 Purpose of the ESPP)
		Exhibit I	Section 1 (Purpose)
<b>4.</b>	<b>Information Concerning the Securities to be Offered/ Admitted to Trading</b>		
4.1	Type and the class of the securities being offered, including the security identification code.	Part II - Section B	48 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
		Exhibit I	Section 2(f)

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<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
			(Definitions - Common Stock)
4.2	Legislation under which the securities have been created.	Part II - Section B	48 (4.2 Legislation Under which the Securities Have Been Created)
4.3	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	48 - 49 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records)
4.4	Currency of the securities issue.	Part II - Section B	49 (4.4 Currency of the Securities Issue)
4.5	Rights attached to the securities	Part II - Section B	49 - 50 (4.5 Rights Attached to the Securities)
4.6	Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Exhibit I	Section 9 (Payment and Delivery)
4.7	Expected issue date of the securities.	Part II - Section B	46 (1.3 Purchase Period)
4.8	Description of any restrictions on the free transferability of the securities.	Part II - Section B	48 (III. Delivery and Sale of the Shares) and  51 (4.6 Transferability)
		Exhibit I	Section 9 (Payment and Delivery)
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section B	51 - 52 (4.7 General Provisions Applying to Business Combinations)

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<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
4.11	Information on taxes on the income from the securities withheld at source	Part II - Section B	81 - 104 (XII. Tax Consequences)
<b>5.</b>	<b>TERMS AND CONDITIONS OF THE OFFER</b>		
<b>5.1</b>	<b>Conditions, offer statistics, expected timetable and action required to apply for the offer</b>		
5.1.1	Conditions to which the offer is subject.	Part II - Section B	45 - 48 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
5.1.2	Total amount of the issue/offer.	Part II - Section B	58 (6.2 Net Proceeds)
		Exhibit I	Section 7 (Offering)
5.1.3	Time period during which the offer will be open and description of the application process.	Part II - Section B	45 - 48 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	Section 7 (Offering)
5.1.4	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	46 (1.7 Amendment or Discontinuance of the ESPP)
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5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	47 (2.4 Discontinuance of Participation of Participants)
5.1.6	Minimum and/or maximum amount of application.	Part II - Section B	45 - 46 (1.2 Shares Offered Under the ESPP) and 47 (2.2 Participation of Eligible

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<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
			Employees)
		Exhibit I	Section 7 (Offering) and Section 3 (Eligibility)
5.1.7	Period during which an application may be withdrawn.	Part II - Section B	47 (2.4 Discontinuance of Participation of Participants)
5.1.8	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	47 (2.3 Payroll Deductions) and 48 (III. Delivery and Sale of the Shares)
		Exhibit I	Section 9
<b>5.3</b>	<b>Pricing</b>		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	46 (1.4 Purchase Price)
		Exhibit I	Section 7.4 (Offering)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	46 (1.4 Purchase Price) and 48 - 49 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
		Exhibit I	Section 7.4 (Offering)
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	50 (No Preemptive, Redemptive or Conversions Provisions)
5.3.4	Where there is or could be a material disparity between the public offer price and the effective cash	Not applicable	Not applicable

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	cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.		
<b>5.4.</b>	<b>Placing and Underwriting</b>		
5.4.2	Name and address of any paying agents and depository agents in each country.	Part II - Section B	48 - 49 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
<b>6.</b>	<b>Admission to Trading and Dealing Arrangements</b>		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	48 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
6.2	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	48 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
<b>8.</b>	<b>Expense of the Issue/Offer</b>		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	58 (6.2 Net Proceeds)
<b>9.</b>	<b>Dilution</b>		
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Part II - Section B	57 - 58 (6.1 Maximum Dilution)
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.	Not applicable	Not applicable
<b>10.</b>	<b>Additional Information</b>		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in	Not applicable	Not applicable

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	which the advisors have acted.		
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
10.4.	Where information has been sourced from a third party.	Not applicable	Not applicable