



KEYSIGHT TECHNOLOGIES, INC.
1400 Fountaingrove Parkway
Santa Rosa, CA 95403, U.S.A.

**KEYSIGHT TECHNOLOGIES, INC. EMPLOYEE STOCK PURCHASE PLAN
(EFFECTIVE NOVEMBER 1, 2014) (THE "ESPP")**

**Prospectus for the employees of certain European Economic Area ("EEA") subsidiaries
of Keysight Technologies, Inc., 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 18-455 dated September 26, 2018 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 Keysight Technologies, Inc. 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 Keysight Technologies, Inc.'s intranet, and free copies will be available to the employees upon request by contacting the human resources departments of their employers. This prospectus will also be available on the website of the AMF, www.amf-france.org.

NOTE TO THE PROSPECTUS

This prospectus contains material information concerning Keysight Technologies, Inc. and 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 (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 (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,¹ are required for this offering of equity securities to employees of Keysight Technologies, Inc. and its affiliates.

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

Keysight Technologies, Inc. Employee Stock Purchase Plan (effective November 1, 2014). When used in this prospectus, the terms "we," "us" or "our" mean Keysight Technologies, Inc. and its consolidated subsidiaries.

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

¹ Questions and Answers, Prospectuses: 28th updated version – March 2018 (28 March 2018| ESMA-31-62-780).

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COMPANY REPRESENTATIVE FOR PROSPECTUS

- 1.1 Neil Dougherty, Senior Vice President and Chief Financial Officer, acting for and on behalf of Keysight Technologies, Inc.
- 1.2 To my knowledge, and 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 Keysight Technologies, Inc. has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has, in accordance with the professional standards and interpretations applicable to it in the United States of America in PCAOB Auditing Standard 2710, *Other Information in Documents Containing Audited Financial Statements*, for the purpose of identifying material inconsistencies with the audited financial statements or a material misstatement of fact, read the prospectus, including the financial information concerning Keysight Technologies, Inc. for the fiscal years ended October 31, 2017, 2016 and 2015 and for the periods ended July 31, 2018 and 2017 in Part I - Element B.7 and the Selected Financial Data contained in Part II - Section B.10.1 of this prospectus.

/s/ Neil Dougherty

Neil Dougherty
Senior Vice President and Chief Financial Officer
Keysight Technologies, Inc.
Santa Rosa, California, United States of America
September 25, 2018

PART I — PROSPECTUS SUMMARY

VISA NUMBER 18-455 DATED SEPTEMBER 26, 2018 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

SECTION A — INTRODUCTION AND WARNINGS		
A.1	Warning to the reader	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.
A.2	Consent to use of the prospectus	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

SECTION B — ISSUER

SECTION B — ISSUER		
B.1	Legal and commercial name of the issuer	Keysight Technologies, Inc. ("Keysight" or the "Company").
B.2	Domicile and legal form of Keysight, the legislation under which it operates and its country of incorporation	Keysight's principal offices are located at 1400 Fountaingrove Parkway, Santa Rosa, California 95403, U.S.A.

B.3	<p>Description of the nature of Keysight's current operations and its principal activities</p>	<p>Keysight incorporated in the State of Delaware, U.S.A., on December 6, 2013 and became an independent publicly-traded company following the separation (the "Separation") from Agilent Technologies, Inc. ("Agilent") on November 1, 2014. Keysight is a measurement company providing electronic design and test solutions to communications and electronics industries. Following the acquisition of Ixia on April 18, 2017, Keysight also provides testing, visibility, and security solutions, strengthening applications across physical and virtual networks for enterprises, service providers, and network equipment manufacturers.</p> <p>Keysight provides electronic design and test instruments and systems and related software, software design tools, and related services that are used in the design, development, manufacture, installation, deployment and operation of electronics equipment. Related services include start-up assistance, instrument productivity and application services and instrument calibration and repair. Additionally, Keysight provides test, security and visibility solutions that validate, secure and optimize networks and applications from engineering concept to live deployment. Keysight also offers customization, consulting and optimization services throughout the customer's product life cycle.</p> <p>As a result of the acquisition of Ixia, Keysight now has four segments, Communications Solutions Group ("CSG"), Electronic Industrial Solutions Group ("EISG"), Ixia Solutions Group ("ISG") and Services Solutions Group ("SSG").</p> <p>The following table presents net revenue by reportable segment for the three years ended October 2017, 2016 and 2015:</p> <table border="1" data-bbox="586 1024 1435 1476"> <thead> <tr> <th></th> <th style="text-align: center;">CSG</th> <th style="text-align: center;">EISG</th> <th style="text-align: center;">ISG</th> <th style="text-align: center;">SSG</th> <th style="text-align: center;">Total Segments</th> </tr> <tr> <th></th> <th colspan="5" style="text-align: center;">(in millions)</th> </tr> </thead> <tbody> <tr> <td colspan="6">Year ended October 31, 2017:</td> </tr> <tr> <td>Total net revenue</td> <td style="text-align: right;">\$ 1,737</td> <td style="text-align: right;">\$ 836</td> <td style="text-align: right;">\$ 197</td> <td style="text-align: right;">\$ 419</td> <td style="text-align: right;">\$ 3,189</td> </tr> <tr> <td>Segment income from operations</td> <td style="text-align: right;">\$ 311</td> <td style="text-align: right;">\$ 199</td> <td style="text-align: right;">\$ 42</td> <td style="text-align: right;">\$ 68</td> <td style="text-align: right;">\$ 620</td> </tr> <tr> <td colspan="6">Year ended October 31, 2016:</td> </tr> <tr> <td>Total net revenue</td> <td style="text-align: right;">\$ 1,740</td> <td style="text-align: right;">\$ 776</td> <td style="text-align: right;">\$ —</td> <td style="text-align: right;">\$ 402</td> <td style="text-align: right;">\$ 2,918</td> </tr> <tr> <td>Segment income from operations</td> <td style="text-align: right;">\$ 314</td> <td style="text-align: right;">\$ 169</td> <td style="text-align: right;">\$ —</td> <td style="text-align: right;">\$ 63</td> <td style="text-align: right;">\$ 546</td> </tr> <tr> <td colspan="6">Year ended October 31, 2015:</td> </tr> <tr> <td>Total net revenue</td> <td style="text-align: right;">\$ 1,697</td> <td style="text-align: right;">\$ 758</td> <td style="text-align: right;">\$ —</td> <td style="text-align: right;">\$ 401</td> <td style="text-align: right;">\$ 2,856</td> </tr> <tr> <td>Segment income from operations</td> <td style="text-align: right;">\$ 329</td> <td style="text-align: right;">\$ 158</td> <td style="text-align: right;">\$ —</td> <td style="text-align: right;">\$ 72</td> <td style="text-align: right;">\$ 559</td> </tr> </tbody> </table>		CSG	EISG	ISG	SSG	Total Segments		(in millions)					Year ended October 31, 2017:						Total net revenue	\$ 1,737	\$ 836	\$ 197	\$ 419	\$ 3,189	Segment income from operations	\$ 311	\$ 199	\$ 42	\$ 68	\$ 620	Year ended October 31, 2016:						Total net revenue	\$ 1,740	\$ 776	\$ —	\$ 402	\$ 2,918	Segment income from operations	\$ 314	\$ 169	\$ —	\$ 63	\$ 546	Year ended October 31, 2015:						Total net revenue	\$ 1,697	\$ 758	\$ —	\$ 401	\$ 2,856	Segment income from operations	\$ 329	\$ 158	\$ —	\$ 72	\$ 559
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B.4a	<p>Recent trends</p>	<p>Third-Quarter 2018 Results</p> <p>On August 21, 2018, Keysight reported financial results for the third fiscal quarter ended July 31, 2018. On a Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") basis, Keysight's revenue grew 21 percent to reach \$1,004 million, when compared with \$832 million last year, and Keysight's net income was \$121 million, or \$0.63 per share of Keysight common stock, par value \$0.01 per share (the "Share(s)"), compared with a U.S. GAAP net loss of \$18 million, or a loss of \$0.10 per Share, in the third quarter of 2017. Keysight's fourth fiscal quarter 2018 U.S. GAAP revenue is expected to be in the range of \$996 million to \$1,016 million.</p>																																																																		

		<p>On August 31, 2018, Keysight filed with the U.S. Securities and Exchange Commission (the "SEC") its Quarterly Report on Form 10-Q for the quarterly period ended July 31, 2018 ("Keysight's Form 10-Q").</p> <p>Stock Repurchase Program</p> <p>On March 6, 2018, the Board of Directors of Keysight (the "Board") approved a new stock repurchase program authorizing the purchase of up to \$350 million of shares of Keysight common stock, par value \$0.01 per share (the "Shares"), replacing a previously approved 2016 program authorizing the purchase of up to \$200 million of Shares. Under the new program, Shares may be purchased from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases, privately negotiated transactions or other means. All such Shares and related costs are held as treasury stock and accounted for at trade date using the cost method. The stock repurchase program may be commenced, suspended or discontinued at any time at the Company's discretion and does not have an expiration date.</p> <p>For the nine months ended July 31, 2018, Keysight repurchased 1,441,610 Shares for \$80 million. All such Shares and related costs are held as treasury stock and accounted for at trade date using the cost method.</p> <p>Impact of the Northern California Wildfires</p> <p>During the week of October 8, 2017, wildfires in northern California adversely impacted the Keysight corporate headquarters site in Santa Rosa, California, U.S.A. Keysight's headquarters was under mandatory evacuation for more than three weeks, and while direct damage to its core facilities was limited, its buildings did experience some smoke and other fire-related impacts. Cleaning and restoration efforts are largely complete, and Keysight has fully re-occupied the site. Keysight is insured for the damage caused by the fire. Due to the strong response and execution of its teams, Keysight has recovered from the shipment disruption issues related to the wildfires, and full recovery is expected by the end of the fiscal year.</p> <p>Keysight currently estimates that insurance recovery will range from \$115 million to \$130 million, which it believes will substantially cover its total fire-related losses, expenses and investments in property, plant and equipment in excess of its \$10 million self-insured retention amount. There may be a difference in timing of costs incurred and the related insurance reimbursement.</p>
B.5	Organizational structure	<p>Keysight is the parent company of the Keysight group. Keysight holds, directly or indirectly, 100% of the capital and voting rights of each of its significant subsidiaries. As of September 15, 2018, there were 12 significant subsidiaries of the Company, including Anite Limited and Ixia.</p>
B.6	Interests in Keysight's capital or voting rights	<p>Not applicable. Pursuant to its Q&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 Keysight for the fiscal years ended October 31, 2017, 2016 and 2015 and for the nine-month periods ended July 31, 2018 and 2017

SELECTED THREE-YEAR FINANCIAL DATA
(In millions, except per share data)

The consolidated statement of operations and the consolidated balance sheet data of Keysight for the fiscal years ended October 31, 2017, 2016 and 2015, set out in this prospectus have been derived from Keysight's audited consolidated financial statements, included in Keysight's Annual Report on Form 10-K for the fiscal year ended October 31, 2017, filed with the SEC on December 20, 2017 ("Keysight's Form 10-K"), prepared in accordance with U.S. GAAP.

Combined and Consolidated Statement of Operations Data:

	Years Ended October 31,		
	2017	2016	2015
Net revenue	\$ 3,189	\$ 2,918	\$ 2,856
Income before taxes	\$ 179	\$ 366	\$ 388
Net income	\$ 102	\$ 335	\$ 513
Net income per Share ^(a)			
Basic	\$ 0.57	\$ 1.97	\$ 3.04
Diluted	\$ 0.56	\$ 1.95	\$ 3.00
Weighted average shares used in computing net income per Share ^(a)			
Basic	180	170	169
Diluted	182	172	171

(a) On November 1, 2014, Agilent distributed 167 million Shares to existing holders of Agilent common stock. Basic and diluted net income per Share for all periods through October 31, 2015 is calculated using the Shares distributed on November 1, 2014.

Combined and Consolidated Balance Sheet Data:

	October 31,		
	2017	2016	2015
Cash and cash equivalents and short-term investments	\$ 818	\$ 783	\$ 483
Working capital	\$ 1,358	\$ 1,210	\$ 893
Total assets	\$ 5,933	\$ 3,796	\$ 3,501
Long-term debt	\$ 2,038	\$ 1,093	\$ 1,092
Stockholders'/Invested equity	\$ 2,310	\$ 1,513	\$ 1,302

SELECTED QUARTERLY FINANCIAL DATA
(In millions, except par value and share amounts) (Unaudited)

The condensed consolidated statements of operations of Keysight for the three months and nine months ended July 31, 2018 and 2017 and the condensed consolidated balance sheet data of Keysight as of July 31, 2018 and October 31, 2017, set out in this prospectus have been derived from Keysight's unaudited condensed consolidated financial statements, included in Keysight's Form 10-Q, prepared in accordance with U.S. GAAP.

Condensed Combined and Consolidated Statement of Operations:

	Three Months Ended		Nine Months Ended	
	July 31,		July 31,	
	2018	2017	2018	2017
Net revenue:				
Products	\$ 842	\$ 695	\$ 2,356	\$ 1,935
Services and other	162	137	475	376
Total net revenue	1,004	832	2,831	2,311
Costs and expenses:				
Cost of products	359	349	1,063	876
Cost of services and other	80	72	233	207
Total costs	439	421	1,296	1,083
Research and development ("R&D")	151	132	453	359
Selling, general and administrative	289	286	877	755
Other operating expense (income), net	(3)	(3)	(18)	(86)
Total costs and expenses	876	836	2,608	2,111
Income (loss) from operations	128	(4)	223	200
Interest income	3	2	8	5
Interest expense	(20)	(22)	(63)	(58)
Other income (expense), net	2	(1)	5	2
Income before taxes	113	(25)	173	149
Provision (benefit) for income taxes	(8)	(7)	(106)	9
Net income (loss)	\$ 121	\$ (18)	\$ 279	\$ 140
Net income (loss) per Share:				
Basic	\$ 0.64	\$ (0.10)	\$ 1.49	\$ 0.78
Diluted	\$ 0.63	\$ (0.10)	\$ 1.46	\$ 0.78
Weighted average shares used in computing net income (loss) per Share:				
Basic	188	186	187	178
Diluted	191	186	191	180

Condensed Consolidated Balance Sheet:

	July 31, 2018	October 31, 2017
Cash and cash equivalents and short-term investments	\$ 742	\$ 818
Total assets	\$ 5,846	\$ 5,933
Long-term debt	\$ 1,790	\$ 2,038
Total liabilities	\$ 3,233	\$ 3,623
Stockholders'/Invested equity	\$ 2,613	\$ 2,310

B.8	Pro forma financial information	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.
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B.9	Profit forecast or estimate	Not applicable. This prospectus does not contain any profit forecast or estimate.
B.10	Qualifications in the audit report on the historical financial information	Not applicable. There are no such qualifications in the auditors' reports for fiscal years 2017, 2016 or 2015.
B.11	Working capital statement	Not applicable. Keysight's working capital is sufficient for its present requirements.

SECTION C — SECURITIES		
C.1	Type and class of the securities being offered, including the security identification code	<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 are or will be listed on the NYSE under the symbol "KEYS." The CUSIP number for the Shares is 49338L 103.</p>
C.2	Currency of the securities issue	The United States Dollar is the currency of the securities issue.
C.3	Number of shares issued	As of July 31, 2018, Keysight's authorized capital stock will consist of 1,000,000,000 Shares, and 100,000,000 shares of preferred stock, par value \$0.01 per share, all of which shares of preferred stock are undesignated. As of August 30, 2018, there were 187,428,054 Shares outstanding, and no shares of preferred stock were issued or outstanding.
C.4.	Rights attached to the securities	<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>Dividend Rights. The Board, subject to any restrictions contained in (a) the General Corporation Law of the State of Delaware (U.S.A.) (the "DGCL"); or (b) Keysight's Amended and Restated Certificate of Incorporation effective October 22, 2014 (the "Certificate of Incorporation"), may declare and pay dividends upon the Shares.</p> <p>Voting Rights. Each holder of the Shares is entitled to one vote for each Share on all matters to be voted upon by the common shareholders, and there are no cumulative voting rights.</p> <p>Right to Receive Liquidation Distributions. Upon a liquidation, dissolution or winding-up of Keysight, the assets legally available for distribution to stockholders are distributable ratably among the holders of the Shares outstanding at that time after payment of any liquidation</p>

		<p>preferences on any outstanding preferred stock.</p> <p>No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.</p>
C.5	Transferability restrictions	Not applicable. The Shares in this offering are registered on Form S-8 with the SEC and are generally freely transferable, unless the Shares are owned by one of Keysight's affiliates.
C.6	Admission to trading on a regulated market	As noted in Element C.1 above, the Shares are or will be listed on the NYSE.
C.7	Dividend policy	Keysight has not paid any dividends, and does not anticipate paying any cash dividends in the foreseeable future. All decisions regarding the declaration and payment of dividends and repurchase stock are at the discretion of the Board and will be evaluated regularly in light of Keysight's financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors that the Board deems relevant.

SECTION D — RISKS

D.1	Key risks related to Keysight or its industry	<p>Set forth below are summaries of the key risks, uncertainties and other factors that may affect Keysight's future results. The risks and uncertainties described below are not the only ones facing Keysight.</p> <p>Risks Related to Keysight's Business</p> <ul style="list-style-type: none"> • If Keysight does not introduce successful new products and services in a timely manner to address increased competition, rapid technological changes and changing industry standards, its products and services will become obsolete, and its operating results will suffer. • Dependence on contract manufacturing and outsourcing other portions of Keysight's supply chain may adversely affect its ability to bring products to market and damage its reputation. Dependence on outsourced information technology ("IT") and other administrative functions may impair its ability to operate effectively. • Economic, political and other risks associated with international sales and operations could adversely affect Keysight's results of operations. • Key customers or large orders may expose Keysight to additional business and legal risks that could have a material adverse impact on its operating results and financial condition. • Keysight has outstanding debt and may incur other debt in the future, which could adversely affect its financial condition, liquidity and results of operations. • Environmental contamination from past operations could subject Keysight to unreimbursed costs and could harm on-site
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		<p>operations and the future use and value of the properties involved, and environmental contamination caused by ongoing operations could subject the Company to substantial liabilities in the future.</p> <ul style="list-style-type: none"> • Keysight and its customers are subject to various governmental regulations, compliance with which may cause the Company to incur significant expenses, and if the Company fails to maintain satisfactory compliance with certain regulations, it may be forced to recall products and cease their manufacture and distribution, and it could be subject to civil or criminal penalties. • Keysight's business and financial results may be adversely affected by various legal and regulatory proceedings. <p>Risks Related to the Acquisition of Ixia</p> <ul style="list-style-type: none"> • Keysight may not realize all of the anticipated benefits of the Merger or those benefits may take longer to realize than expected. Keysight may also encounter significant unexpected difficulties in integrating the two businesses. <p>Risks Related to the Separation from Agilent</p> <ul style="list-style-type: none"> • Keysight will be subject to continuing contingent liabilities of Agilent following the Separation.
D.3	Key risks related to the shares	<ul style="list-style-type: none"> • The Share price may fluctuate significantly. • Keysight does not currently pay dividends on its Shares. • Certain provisions in the Certificate of Incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of Keysight, which could decrease the trading price of the Shares. • Participants assume the risk of any currency and / or market fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

SECTION E — OFFER

E.1	Net proceeds	<p>Assuming that each of the 2,062 eligible employees² in Finland, Germany, Romania, Spain and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of 760.6 Shares each (including fractional Shares), for a maximum of \$42,500.44 in contributions per person, at \$55.88 (85% of a hypothetical Share price of \$65.74 which was the closing price of the Shares on September 6, 2018), and assuming that the Shares offered under the ESPP would all be newly issued, then the gross proceeds of the Company in connection with the offer under the ESPP pursuant to this prospectus would be \$87,635,907.28. After deducting approximately \$70,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$87,565,907.28.</p>
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² As of September 10, 2018, there were 168 eligible employees in Finland, 624 eligible employees in Germany, 427 eligible employees in Romania, 337 eligible employees in Spain and 506 eligible employees in the United Kingdom.

E.2a	Reasons for the offer and use of proceeds	<p>The purpose of the ESPP is to provide an opportunity for employees of Keysight and its designated subsidiaries and affiliates to purchase Shares and thereby have an additional incentive to contribute to the prosperity of the Company.</p> <p>The net proceeds will be used for general corporate purposes.</p>
E.3	Description of the terms and conditions of the offer	<p>Keysight 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: Finland, Germany, Romania, Spain and the United Kingdom. The offering of the ESPP may also be made in the following EEA countries: Austria, Belgium, Denmark, France, Italy, the Netherlands and Sweden. 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.</p> <p>This prospectus will be made available in printed form to employees of the subsidiaries of Keysight based in Finland, Germany, Romania, Spain 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 Keysight 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 Keysight 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 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.</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</p>

		<p>any additional documentation (collectively, the "Enrollment Documents") that may be required by the Company. In order to participate in the Purchase Period that begins on November 1, 2018, eligible employees must enroll by no later than October 31, 2018.</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 to purchase the number of whole and fractional 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 85% of the fair market value of a Share on such Purchase Date.</p> <p>As of September 4, 2018, there were 21,302,108 Shares available for issuance under the ESPP, on a worldwide basis. Shares authorized for issuance in connection with the ESPP are subject to an automatic annual increase to be added on the first day of each of Keysight's fiscal years beginning in 2015, equal to one percent of the outstanding Shares on such date, or a lesser amount determined by the Committee. Under the terms of the ESPP, in no event shall the number of Shares issued under the ESPP exceed 75 million Shares.</p>									
E.4	Description of material interest to the offer including conflict of interests	Not applicable. There are no such interests.									
E.5	Name of the entity offering to sell the security	Keysight Technologies, Inc.									
E.6	Maximum dilution	<p>Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 2,062 eligible employees in Finland, Germany, Romania, Spain and the United Kingdom would all be newly issued, the holdings of a shareholder of Keysight holding 1% of the total outstanding share capital of Keysight as of August 30, 2018, that is 1,874,281 and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:</p> <table border="1"> <thead> <tr> <th></th> <th>Percentage of the total outstanding Shares</th> <th>Total number of outstanding Shares</th> </tr> </thead> <tbody> <tr> <td>Before the issuance of Shares under the ESPP (as of August 30, 2018)</td> <td>1.00%</td> <td>187,428,054</td> </tr> <tr> <td>After issuance of 1,568,316 Shares under the ESPP</td> <td>.992%</td> <td>188,996,370</td> </tr> </tbody> </table>		Percentage of the total outstanding Shares	Total number of outstanding Shares	Before the issuance of Shares under the ESPP (as of August 30, 2018)	1.00%	187,428,054	After issuance of 1,568,316 Shares under the ESPP	.992%	188,996,370
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After issuance of 1,568,316 Shares under the ESPP	.992%	188,996,370									

E.7	Estimated expenses charged to the investor	Not applicable. There are no such expenses.
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THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY

PART II — PROSPECTUS

SECTION A — RISK FACTORS**I. RISKS RELATED TO KEYSIGHT'S BUSINESS*****Depressed and uncertain general economic conditions may adversely affect our operating results and financial condition.***

Our business is sensitive to negative changes in general economic conditions, both inside and outside the United States. Global and regional economic uncertainty or depression may impact our business, resulting in:

- reduced demand for our products, delays in the shipment of orders or increases in order cancellations;
- increased risk of excess and obsolete inventories;
- increased price pressure for our products and services; and
- greater risk of impairment to the value, and a detriment to the liquidity, of our future investment portfolio.

In addition, global and regional macroeconomic developments, such as increased unemployment, decreased income, reduced access to credit, volatility in capital markets, decreased liquidity, uncertain or destabilizing national election results in the U.S., Europe, and Asia, and negative changes or volatility in general economic conditions in the U.S., Europe, and Asia could negatively affect our ability to conduct business in those territories. Financial difficulties experienced by our suppliers and customers, including distributors, due to economic volatility or negative changes could result in product delays and inventory issues. Economic risks related to accounts receivable could result in delays in collection and greater bad debt expense.

Our operating results and financial condition could be harmed if the markets into which we sell our products decline or do not grow as anticipated.

Visibility into our markets is limited. Our quarterly sales and operating results are highly dependent on the volume and timing of technology-related spending and orders received during the fiscal quarter, which are difficult to forecast and may be canceled by our customers. In addition, our revenues and earnings forecasts for future fiscal quarters are often based on the expected seasonality or cyclicity of our markets. However, the markets we serve do not always experience the seasonality or cyclicity that we expect. Any decline in our customers' markets would likely result in a reduction in demand for our products and services. The broader semiconductor market is one of the drivers for our business, and therefore, a decrease in the semiconductor market could harm our business. Also, if our customers' markets decline, we may not be able to collect on outstanding amounts due to us. Such declines could harm our financial position, results of operations, cash flows and stock price, and could limit our profitability. Also, in such an environment, pricing pressures could intensify. Since a significant portion of our operating expenses is relatively fixed in nature due to sales, R&D and manufacturing costs, if we were unable to respond quickly enough, these pricing pressures could further reduce our operating margins.

If we do not introduce successful new products and services in a timely manner to address increased competition, rapid technological changes and changing industry standards, our products and services will become obsolete, and our operating results will suffer.

We generally sell our products in industries that are characterized by increased competition through frequent new product and service introductions, rapid technological changes and changing industry standards. In addition, many of the markets in which we operate are seasonal and cyclical. Without the timely introduction of new products, services and enhancements, our products and services will become technologically obsolete over time, in which case our revenue and operating results would suffer. The success of new products and services will depend on several factors, including but not limited to our ability to:

- properly identify customer needs;
- innovate and develop new technologies, services and applications;
- successfully commercialize new technologies in a timely manner;
- manufacture and deliver our products in sufficient volumes and on time;
- differentiate our offerings from our competitors' offerings;
- price our products competitively;
- anticipate our competitors' development of new products, services or technological innovations; and control product quality in our manufacturing process.

Dependence on contract manufacturing and outsourcing other portions of our supply chain may adversely affect our ability to bring products to market and damage our reputation. Dependence on outsourced IT and other administrative functions may impair our ability to operate effectively.

As part of our efforts to streamline operations and to cut costs, we outsource aspects of our manufacturing processes and other functions and continue to evaluate additional outsourcing. If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, during a market upturn, our contract manufacturers may be unable to meet our demand requirements, which may preclude us from fulfilling our customers' orders on a timely basis. The ability of these manufacturers to perform is largely outside of our control. Additionally, changing or replacing our contract manufacturers or other outsourcees could cause disruptions or delays. In addition, we outsource significant portions of our IT and other administrative functions. Since IT is critical to our operations, any failure of our IT providers to perform could impair our ability to operate effectively. In addition to the risks outlined above, problems with manufacturing or IT outsourcing could result in lower revenues and unrealized efficiencies, and could impact our results of operations and stock price. Much of our outsourcing takes place in developing countries and, as a result, may be subject to geopolitical uncertainty.

Failure to adjust our purchases due to changing market conditions or failure to estimate our customers' demand could adversely affect our income.

Our income could be harmed if we are unable to adjust our purchases to market fluctuations, including those caused by the seasonal or cyclical nature of the markets in which we operate. The sale of our products and services are dependent, to a large degree, on customers whose industries are subject to seasonal or cyclical trends in the demand for their products. For example, the consumer electronics market is particularly volatile, making demand difficult to anticipate. During a market upturn, we may not be able to purchase sufficient supplies or components to meet increasing product demand, which could

materially affect our results. In the past, we have seen a shortage of parts for some of our products. In addition, some of the parts that require custom design are not readily available from alternate suppliers due to their unique design or the length of time necessary for design work. Should a supplier cease manufacturing such a component, we would be forced to reengineer our product. In addition to discontinuing parts, suppliers may also extend lead times, limit supplies or increase prices due to capacity constraints or other factors. In order to secure components for the production of products, we may continue to enter into non-cancellable purchase commitments with vendors, or at times make advance payments to suppliers, which could impact our ability to adjust our inventory to declining market demands. Prior commitments of this type have resulted in an excess of parts when demand for electronic products has decreased. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges.

Our operating results may suffer if our manufacturing capacity does not match the demand for our products.

Because we cannot immediately adapt our production capacity and related cost structures to rapidly changing market conditions, when demand does not meet our expectations, our manufacturing capacity will likely exceed our production requirements. If, during a general market upturn or an upturn in our business, we cannot increase our manufacturing capacity to meet product demand, we will not be able to fulfill orders in a timely manner, which could lead to order cancellations, contract breaches or indemnification obligations. This inability could materially and adversely limit our ability to improve our income, margin and operating results. By contrast, if, during an economic downturn, we had excess manufacturing capacity, then our fixed costs associated with excess manufacturing capacity would adversely affect our income, margins and operating results.

Industry consolidation and consolidation among our customer base may lead to increased competition and may harm our operating results.

There is potential for industry consolidation in our markets. As companies attempt to strengthen or hold their market positions in an evolving industry, companies could be acquired or may be unable to continue operations. Companies that are strategic alliance partners in some areas of our business may acquire or form alliances with our competitors, thereby reducing their business with us. We believe that industry consolidation may result in stronger competitors and could lead to more variability in our operating results and could have a material adverse effect on our business, operating results, and financial condition. Furthermore, particularly in the communications market, rapid consolidation would lead to fewer customers, with the effect that loss of a major customer could have a material impact on results not anticipated in a customer marketplace composed of more numerous participants.

Additionally, if there is consolidation among our customer base, our customers may be able to command increased leverage in negotiating prices and other terms of sale, which could adversely affect our profitability. In addition, if, as a result of increased leverage, customer pressures require us to reduce our pricing such that our gross margins are diminished, we could decide not to sell our products under such less favorable terms, which would decrease our revenue. Consolidation among our customer base may also lead to reduced demand for our products, replacement of our products by the combined entity with those of our competitors and cancellations of orders, each of which could harm our operating results.

Economic, political and other risks associated with international sales and operations could adversely affect our results of operations.

Because we sell our products worldwide, our business is subject to risks associated with doing business internationally. We anticipate that revenue from international operations will continue to represent a majority of our total revenue. However, there can be no assurances that our international sales will continue at existing levels or grow in accordance with our effort to increase foreign market penetration. In addition, many of our employees, contract manufacturers, suppliers, job functions and manufacturing facilities are located outside the United States. Accordingly, our future results could be harmed by a variety of factors, including but not limited to:

- interruption to transportation flows for delivery of parts to us and finished goods to our customers;
- changes in foreign currency exchange rates;
- changes in a specific country's or region's political, economic or other conditions;
- trade protection measures, sanctions, retaliatory actions, tariffs and other barriers, policies that favor domestic industries, and import or export licensing requirements or restrictions;
- negative consequences from changes in tax laws;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- differing protection of intellectual property;
- unexpected changes in regulatory requirements; and
- volatile political environments or geopolitical turmoil, including regional conflicts, terrorism, and war.

We centralize most of our accounting processes at two locations: India and Malaysia. These processes include general accounting, inventory cost accounting, accounts payable and accounts receivables functions. If conditions change in those countries, it may adversely affect operations, including impairing our ability to pay our suppliers. Our results of operations, as well as our liquidity, may be adversely affected and possible delays may occur in reporting financial results. Additionally, our suppliers, vendors, partners, and other entities with whom we do business may have strong ties to doing business in China and their ability to supply materials to us or otherwise work with us is strongly affected by their ability to do business in China. If the U.S.-China relationship deteriorates or results in retaliatory actions, tariffs and increased barriers, or policies that favor domestic industries, then our operations may be adversely affected due to such changes in the economic and political ecosystem in which our suppliers, vendors, partners, and other entities with whom we do business operate.

Additionally, we must comply with complex foreign and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to governmental officials, and anti-competition regulations. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on our business conduct and on our ability to offer our products in one or more countries, and could also materially affect our brand, ability to attract and retain employees, international operations, business and operating results. Although we actively maintain policies and procedures designed to ensure ongoing compliance with these laws and regulations, there can be no assurance that our employees, contractors or agents will not violate these policies and procedures.

In addition, although we price and pay for most of our products in U.S. Dollars, many of our products are priced in local currencies and a significant amount of certain types of expenses, such as payroll, utilities, tax and marketing expenses, are paid in local currencies. Our hedging programs are designed to reduce, but not entirely eliminate, within any given 12-month period, the impact of currency exchange rate movements, including those caused by currency controls, which could impact our business, operating results and financial condition by resulting in lower revenue or increased expenses. However, for expenses beyond a 12-month period, our hedging strategy will not mitigate our exchange rate risk. In addition, our currency hedging programs involve third-party financial institutions as counterparties. The weakening or failure of these counterparties may adversely affect our hedging programs and our financial condition through, among other things, a reduction in the number of available counterparties, increasingly unfavorable terms or the failure of counterparties to perform under hedging contracts.

Key customers or large orders may expose us to additional business and legal risks that could have a material adverse impact on our operating results and financial condition.

Certain key customers have substantial purchasing power and leverage in negotiating contractual arrangements with us. These customers may demand contract terms that differ considerably from our standard terms and conditions. Large orders may also include severe contractual liabilities for us if we fail to provide the quantity and quality of product at the required delivery times. While we attempt to contractually limit our potential liability under such contracts, we may have to agree to some or all of these types of provisions to secure these orders and to continue to grow our business. Such actions expose us to significant additional risks, which could result in a material adverse impact on our operating results and financial condition.

Our business will suffer if we are not able to retain and hire key personnel.

Our future success depends partly on the continued service of our key research, engineering, sales, marketing, manufacturing, executive and administrative personnel. If we fail to retain and hire a sufficient number of these personnel, we may not be able to maintain or expand our business. The markets in which we operate are dynamic, and we may need to respond with reorganizations, workforce reductions and site closures from time to time. We believe our pay levels are competitive within the regions that we operate. However, there is also intense competition for certain highly technical specialties in geographic areas in which we operate, and it may become more difficult to retain key employees.

Any inability to complete acquisitions on acceptable terms could negatively impact our growth rate and financial performance.

Our ability to grow revenues, earnings and cash flow depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies and business performance. Appropriate targets for acquisition are difficult to identify and complete for a variety of reasons, including but not limited to, limited due diligence, high valuations, business and intellectual property evaluations, other interested parties, negotiations of the definitive documentation, satisfaction of closing conditions, the need to obtain antitrust or other regulatory approvals on acceptable terms, and availability of funding. The inability to close appropriate acquisitions on acceptable terms could adversely impact our growth rate, revenue, and financial performance.

Our acquisitions, strategic alliances, joint ventures and divestitures may result in financial results that are different than expected.

In the normal course of business, we may engage in discussions with third parties relating to possible acquisitions, strategic alliances, joint ventures and divestitures. As a result of such transactions, our financial results may differ from our own or the investment community's expectations in a given fiscal quarter, or over the long term. If market conditions or other factors lead us to change our strategic direction, we may not realize the expected value from such transactions. Further, such transactions often have post-closing arrangements, including, but not limited to, post-closing adjustments, transition services, escrows or indemnifications, the financial results of which can be difficult to predict. In addition, acquisitions and strategic alliances may require us to integrate a different company culture, management team and business infrastructure. We may have difficulty developing, manufacturing and marketing the products of a newly acquired company in a way that enhances the performance of our businesses or product lines to realize the value from expected synergies. Depending on the size and complexity of an acquisition, the successful integration of the entity depends on a variety of factors, including but not limited to:

- the achievement of anticipated cost savings, synergies, business opportunities and growth prospects from combining the acquired company;

- the compatibility of our infrastructure, operations, policies and organizations with those of the acquired company;
- the retention of key employees and/or customers;
- the management of facilities and employees in different geographic areas; and
- the management of relationships with our strategic partners, suppliers, and customer base.

If we do not realize the expected benefits or synergies of such transactions, our consolidated financial position, results of operations, cash flows and stock price could be negatively impacted. Additionally, we may record significant goodwill and other assets as a result of acquisitions or investments, and we may be required to incur impairment charges, which could adversely affect our consolidated financial position and results of operations.

In addition, effective internal controls are necessary for us to provide reliable and accurate financial reports and to effectively prevent fraud. We are devoting significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes-Oxley Act of 2002. However, we cannot be certain that these measures will ensure that we design, implement and maintain adequate control over our financial processes and reporting in the future, especially in the context of acquisitions of other businesses. Any difficulties in the assimilation of acquired businesses into our control system could harm our operating results or cause us to fail to meet our financial reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of the Shares and our access to capital. All of these efforts require varying levels of management resources, which may divert our attention from other business operations.

We have outstanding debt and may incur other debt in the future, which could adversely affect our financial condition, liquidity and results of operations.

We currently have outstanding debt as well as availability to borrow under a revolving credit facility. We may borrow additional amounts in the future and use the proceeds from any future borrowing for general corporate purposes, future acquisitions, expansion of our business or repurchases of our outstanding Shares.

Our incurrence of this debt, and increases in our aggregate levels of debt, may adversely affect our operating results and financial condition by, among other things:

- requiring a portion of our cash flow from operations to make interest payments on this debt;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our business; and
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry.

Our current revolving credit facility and term loan imposes restrictions on us, including restrictions on our ability to create liens on our assets and the ability of our subsidiaries to incur indebtedness, and requires us to maintain compliance with specified financial ratios. Our ability to comply with these ratios may be affected by events beyond our control. In addition, the indenture governing our senior notes contains covenants that may adversely affect our ability to incur certain liens or engage in certain types of sale and leaseback transactions. If we breach any of the covenants and do not obtain a waiver from the lenders, then, subject to applicable cure periods, our outstanding indebtedness could be declared immediately due and payable.

Environmental contamination from past operations could subject us to unreimbursed costs and could harm on-site operations and the future use and value of the properties involved, and environmental contamination caused by ongoing operations could subject us to substantial liabilities in the future.

Some of our properties are undergoing remediation by HP Inc. ("HP") for subsurface contaminations that were known at the time of Agilent's separation from HP in 1999. In connection with Agilent's separation from HP, HP and Agilent entered into an agreement pursuant to which HP agreed to retain the liability for this subsurface contamination, perform the required remediation and indemnify Agilent with respect to claims arising out of that contamination. Agilent has assigned its rights and obligations under this agreement to Keysight in respect of facilities transferred to us in the Separation. As a result, HP will have access to a limited number of our properties to perform remediation. Although HP agreed to minimize interference with on-site operations at such properties, remediation activities and subsurface contamination may require us to incur unreimbursed costs and could harm on-site operations and the future use and value of the properties. In connection with the Separation, Agilent will indemnify us directly for any liabilities related thereto. We cannot be sure that HP will continue to fulfill its remediation obligations or that Agilent will continue to fulfill its indemnification obligations.

In connection with the Separation from Agilent, Agilent also agreed to indemnify us for any liability associated with contamination from past operations at all properties transferred from Agilent to Keysight. We cannot be sure that Agilent will fulfill its indemnification obligations.

Our current manufacturing processes involve the use of substances regulated under various international, federal, state and local laws governing the environment. As a result, we may become subject to liabilities for environmental contamination, and these liabilities may be substantial. Although our policy is to apply strict standards for environmental protection at our sites inside and outside the United States, even if the sites outside the United States are not subject to regulations imposed by foreign governments, we may not be aware of all conditions that could subject us to liability.

We and our customers are subject to various governmental regulations, compliance with which may cause us to incur significant expenses, and if we fail to maintain satisfactory compliance with certain regulations, we may be forced to recall products and cease their manufacture and distribution, and we could be subject to civil or criminal penalties.

We and our customers are subject to various significant international, federal, state and local regulations, including, but not limited to, health and safety, packaging, product content, labor and import/export regulations. These regulations are complex, change frequently and have tended to become more stringent over time. We may be required to incur significant expenses to comply with these regulations or to remedy violations of these regulations. Any failure by us to comply with applicable government regulations could also result in cessation of our operations or portions of our operations, product recalls or impositions of fines and restrictions on our ability to carry on or expand our operations. If demand for our products is adversely affected or our costs increase, our business would suffer.

Our products and operations are also often subject to the rules of industrial standards bodies, like the International Standards Organization, as well as regulation by other agencies such as the U.S. Federal Communications Commission. We also must comply with work safety rules. If we fail to adequately address any of these regulations, our businesses could be harmed.

Third parties may claim that we are infringing their intellectual property rights, and we could suffer significant litigation or licensing expenses or be prevented from selling products or services.

From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation.

and could divert our management and key personnel from business operations. A claim of intellectual property infringement could cause us to enter into a costly or restrictive license agreement (which may not be available under acceptable terms, or at all), require us to redesign certain of our products (which would be costly and time-consuming) and/or subject us to significant damages or an injunction against the development and sale of certain products or services. In certain of our businesses, we rely on third-party intellectual property licenses, and we cannot ensure that these licenses will be available to us in the future on terms favorable to us or at all.

Third parties may infringe our intellectual property rights, and we may suffer competitive injury or expend significant resources enforcing our intellectual property rights.

Our success depends in part on our proprietary technology, including technology we obtained through acquisitions. We rely on various intellectual property rights, including patents, copyrights, trademarks and trade secrets, as well as confidentiality provisions and licensing arrangements, to establish our proprietary rights. If we do not enforce our intellectual property rights successfully, our competitive position may suffer, which could harm our operating results.

Our pending patent, copyright and trademark registration applications may not be allowed or competitors may challenge the validity or scope of our patents, copyrights or trademarks. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us with a significant competitive advantage. In preparation for the Separation and distribution, we have applied for trademarks related to our new global brand name in various jurisdictions worldwide. Any successful opposition to our applications in material jurisdictions could impose material costs on us or make it more difficult to protect our brand. Different jurisdictions vary widely in the level of protection and priority they give to trademark and other intellectual property rights.

We may be required to spend significant resources monitoring our intellectual property rights, and we may or may not be able to detect infringement of such rights by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights in a timely manner, or at all. In some circumstances, we may choose to not pursue enforcement due to a variety of reasons. In addition, competitors may avoid infringement by designing around our intellectual property rights or by developing non-infringing competing technologies. Intellectual property rights and our ability to enforce them may be unavailable or limited in some countries, which could make it easier for competitors to capture market share and could result in lost revenues to the Company. Furthermore, some of our intellectual property is licensed to others, which allows them to compete with us using that intellectual property.

We are or will be subject to ongoing tax examinations of our tax returns by the U.S. Internal Revenue Service (the "IRS") and other tax authorities. An adverse outcome of any such audit or examination by the IRS or other tax authority could have a material adverse effect on our results of operations, financial condition and liquidity.

We are or will be subject to ongoing tax examinations of our tax returns by the IRS and other tax authorities in various jurisdictions. We regularly assess the likelihood of adverse outcomes resulting from ongoing tax examinations to determine the adequacy of our provision for income taxes. These assessments can require considerable estimates and judgments. Intercompany transactions associated with the sale of inventory, services, intellectual property and cost sharing arrangements are complex and affect our tax liabilities. The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations in multiple jurisdictions. The outcomes of any tax examinations could have an adverse effect on our operating results and financial condition. Due to the complexity of tax contingencies, the ultimate resolution of any tax matters related to operations may result in payments greater or less than amounts accrued.

Our operations may be adversely impacted by changes in our business mix or changes in the tax legislative landscape.

Our effective tax rate may be adversely impacted by, among other things, changes in the mix of our earnings among countries with differing statutory tax rates, changes in the valuation allowance of deferred tax assets, and changes in tax laws. We cannot give any assurance as to what our effective tax rate will be in the future because, among other things, there is uncertainty regarding the tax policies of the jurisdictions where we operate. Changes in tax laws, such as tax reform in the United States or changes in tax laws resulting from the Organization for Economic Co-operation and Development's ("OECD") multi-jurisdictional plan of action to address "base erosion and profit shifting" and the taxation of the "Digital Economy" could impact our effective tax rate.

If tax laws or incentives change or cease to be in effect, our income taxes could increase significantly.

We are subject to federal, state, and local taxes in the United States and numerous foreign jurisdictions. We devote significant resources to evaluating our tax positions and our worldwide provision for taxes. Our financial results and tax treatment are susceptible to changes in tax, accounting, and other laws, regulations, principles, and interpretations in the United States and in other jurisdictions where we conduct business. With the rise of economic and political policies that favor domestic interests, it is possible that countries will enact tax laws that either increase the tax rates, or reduce or change the tax incentives available to international companies like ours. Upon a change in tax laws in any territory where we conduct significant business, such as the U.S., the European Union, or Singapore, we may not be able to maintain our current tax rate or qualify for or maintain the benefits of any tax incentives offered, to the extent such incentives are offered.

We currently benefit from tax incentives extended to certain of our foreign subsidiaries to encourage investment or employment, the most significant of which being Singapore. The Singapore tax incentives require that specific conditions be satisfied, which include achieving thresholds of employment, ownership of certain assets, as well as specific types of investment activities within Singapore. Based on the current tax environment, we believe that we will satisfy such conditions in the future as needed, but cannot guarantee that the tax environment will not change or that such conditions will continue to be satisfied. Our Singapore tax incentives are due for renewal in fiscal 2024, but we cannot guarantee that Singapore will not revoke the tax incentive earlier. Our taxes could increase if the existing Singapore incentives are not renewed upon revocation or expiration.

If we cannot or do not wish to satisfy all or portions of the tax incentive conditions, we may lose the related tax incentive and could be required to refund the benefits that the tax incentives previously provided. As a result, our effective tax rate could be higher than it would have been had we maintained the benefits of the tax incentives and could harm our operating results.

If we suffer a loss to our factories, facilities or distribution system due to a catastrophic event, our operations could be significantly harmed.

Our factories, facilities and distribution system are subject to catastrophic loss due to fire, flood, terrorism or other natural or man-made disasters. In particular, several of our facilities could be subject to a catastrophic loss caused by earthquake or other natural disasters due to their locations. For example, our production facilities, headquarters and laboratories in California and our production facilities in Japan are all located in areas with above-average seismic activity. If any of these facilities were to experience a catastrophic loss, it could disrupt our operations, delay production, shipments and revenue and result in large expenses to repair or replace the facility. If such a disruption were to occur, we could breach our agreements, our reputation could be harmed and our business and operating results could be adversely affected. In addition, since we have consolidated our manufacturing facilities, we are more likely to experience an interruption to our operations in the event of a catastrophe in any one location. Although we carry insurance for property damage and business interruption, we do not carry insurance or financial reserves for interruptions or potential losses arising from earthquakes or terrorism. Also, our third-party

insurance coverage will vary from time to time in both type and amount depending on availability, cost and our decision with respect to risk retention. Economic conditions and uncertainties in global markets may adversely affect the cost and other terms upon which we are able to obtain third-party insurance. If our third-party insurance coverage is adversely affected, or to the extent we have elected to self-insure, we may be at a greater risk that our operations will be harmed by a catastrophic loss.

If we experience a significant disruption in, or breach in security of, our IT systems, our business could be adversely affected.

We rely on several centralized IT systems to provide products and services, maintain financial records, process orders, manage inventory, process shipments to customers and operate other critical functions. If we experience a prolonged system disruption in the IT systems that involve our interactions with customers or suppliers, it could result in the loss of sales and customers and significant incremental costs, which could adversely affect our business. In addition, our IT systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, catastrophes or other unforeseen events. Furthermore, security breaches of our IT systems could result in the misappropriation or unauthorized disclosure of confidential information belonging to the Company or our employees, partners, customers or suppliers, which could result in significant financial or reputational damage to the Company.

Man-made problems such as cybersecurity attacks, computer viruses or terrorism may disrupt our operations and harm our business, reputation and operating results.

Despite our implementation of network security measures, our network may be vulnerable to cybersecurity attacks, computer viruses, break-ins and similar disruptions. Our network security measures include, but are not limited to, the implementation of firewalls, antivirus protection, patches, log monitors, routine backups, offsite storage, network audits, and routine updates and modifications. We are routinely monitoring and developing our internal IT systems to address these risks, but we may not be able to keep pace as new threats emerge. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. Any such event could have a material adverse effect on our business, operating results and financial condition, and no assurance can be given that our efforts to reduce the risk of such attacks will be successful.

Our daily business operations require us to retain sensitive data such as intellectual property, proprietary business information and data related to customers, suppliers and business partners within our networking infrastructure. The ongoing maintenance and security of this information is pertinent to the success of our business operations and our strategic goals, and organizations like Keysight are susceptible to multiple variations of attacks on our networks on a daily basis.

Our networking infrastructure and related assets may be subject to unauthorized access by hackers, employee errors, or other unforeseen activities. Such issues could result in the disruption of business processes, network degradation and system downtime, along with the potential that a third party will exploit our critical assets such as intellectual property, proprietary business information and data related to our customers, suppliers and business partners. To the extent that such disruptions occur, they may cause delays in the manufacture or shipment of our products and the cancellation of customer orders and, as a result, our business operating results and financial condition could be materially and adversely affected resulting in a possible loss of business or brand reputation.

In addition, the effects of war or acts of terrorism could have a material adverse effect on our business, operating results and financial condition. The continued threat of terrorism and heightened security and military action in response to this threat, or any future acts of terrorism, may cause further disruption to the economy and create further uncertainties in the economy. Energy shortages, such as gas or electricity shortages, could have similar negative impacts. To the extent that such disruptions or uncertainties result in delays or cancellations of customer orders or the manufacture or shipment of our

products, our business, operating results and financial condition could be materially and adversely affected.

Our business and financial results may be adversely affected by various legal and regulatory proceedings.

We are subject to legal proceedings, lawsuits and other claims in the normal course of business and could become subject to additional claims in the future, some of which could be material. The outcome of existing proceedings, lawsuits and claims may differ from our expectations because the outcomes of litigation are often difficult to reliably predict. Various factors or developments can lead us to change current estimates of liabilities and related insurance receivables where applicable, or permit us to make such estimates for matters previously not susceptible to reasonable estimates, such as a significant judicial ruling or judgment, a significant settlement, significant regulatory developments or changes in applicable law. A future adverse ruling, settlement or unfavorable development could result in charges that could adversely affect our business, operating results or financial condition.

We may need additional financing in the future to meet our capital needs or to make opportunistic acquisitions, and such financing may not be available on terms favorable to us, if at all, and may be dilutive to existing shareholders.

We may need to seek additional financing for our general corporate purposes. For example, we may need to increase our investment in R&D activities or need funds to make acquisitions. We may be unable to obtain any desired additional financing on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to fund our expansion, successfully develop or enhance products or respond to competitive pressures, any of which could negatively affect our business. If we finance acquisitions by issuing additional convertible debt or equity securities, our existing stockholders may experience share dilution, which could affect the market price of the Shares. If we raise additional funds through the issuance of equity securities, our shareholders will experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to further limitations on our operations and ability to pay dividends due to restrictive covenants.

Adverse conditions in the global banking industry and credit markets may adversely impact the value of our cash investments or impair our liquidity.

Our cash and cash equivalents are invested or held in a mix of money market funds, time deposit accounts and bank demand deposit accounts. Disruptions in the financial markets may, in some cases, result in an inability to access assets such as money market funds that traditionally have been viewed as highly liquid. Any failure of our counterparty financial institutions or funds in which we have invested may adversely impact our cash and cash equivalent positions and, in turn, our results and financial condition.

Future investment returns on pension assets may be lower than expected or interest rates may decline, requiring us to make significant additional cash contributions to our future plans.

We sponsor several defined benefit pension plans that cover many of our salaried and hourly employees. The Federal Pension Protection Act of 2006 requires that certain capitalization levels be maintained in each of the U.S. plans, and there may be similar funding requirements in the plans outside the United States. Because it is unknown what the investment return on and the fair value of our pension assets will be in future years or what interest rates and discount rates may be at any point in time, no assurances can be given that applicable law will not require us to make future material plan contributions. Any such contributions could adversely affect our financial condition.

II. RISKS RELATED TO THE SHARES

Our Share price may fluctuate significantly.

The Shares are listed on NYSE under the ticker symbol “KEYS.” The market price of the Shares may fluctuate widely, depending on many factors, some of which may be beyond our control, including but not limited to:

- actual or anticipated fluctuations in our operating results due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain third-party financing as needed;
- announcements by us or our competitors of significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the failure of securities analysts to cover the Shares;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and share price performance of other comparable companies;
- investor perception of our Company;
- natural or other disasters that investors believe may affect us;
- overall market fluctuations;
- results from any material litigation or government investigations;
- changes in laws or regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could adversely affect the trading price of the Shares.

In addition, when the market price of a company’s shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against us could cause us to incur substantial costs and could divert the time and attention of management and other resources.

We do not currently pay dividends on the Shares.

We do not currently pay dividends on the Shares. The payment of any dividends in the future, and the timing and amount thereof, to our stockholders 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. We cannot guarantee that we will pay a dividend in the future or continue to pay any dividends if we commence paying dividends.

Certain provisions in the Certificate of Incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of the Company, which could decrease the trading price of the Shares.

The Certificate of Incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with the Board rather than to attempt a hostile takeover. These provisions include but are not limited to:

- the inability of our shareholders to call a special meeting;
- the inability of our shareholders to act without a meeting of shareholders;
- rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings;
- the right of the Board to issue preferred stock without shareholder approval;
- the division of the Board into three classes of directors, with each class serving a staggered three-year term, and this classified Board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- a provision that shareholders may only remove directors with cause;
- the ability of our directors, and not shareholders, to fill vacancies on the Board; and
- the requirement that the affirmative vote of shareholders holding at least 80% of our voting stock is required to amend certain provisions in the Certificate of Incorporation (relating to the number, term and removal of our directors, the filling of Board vacancies, the advance notice to be given for nominations for elections of directors, the calling of special meetings of shareholders, shareholder action by written consent, the ability of the Board to amend the bylaws, elimination of liability of directors to the extent permitted by Delaware law, exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders and amendments of the Certificate of Incorporation) and certain provisions in our amended and restated bylaws (relating to the calling of special meetings of shareholders, the business that may be conducted or considered at annual or special meetings, the advance notice of shareholder business and nominations, shareholder action by written consent, the number, tenure, qualifications and removal of our directors, the filling of Board vacancies, director and officer indemnification and amendments of the bylaws).

In addition, because we have not chosen to be exempt from Section 203 of the DGCL, this provision could also delay or prevent a change of control that some shareholders 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 shareholders 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 shareholders 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. However, these provisions will apply even if the offer may be considered beneficial by some shareholders and could delay or prevent an acquisition that the Board determines is not in the best interests of the Company and our shareholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

The Certificate of Incorporation designates that the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against the company and our directors and officers.

The Certificate of Incorporation provide that unless the Board otherwise determines, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to the Company or our shareholders, any action asserting a claim against us or any of our directors or officers arising pursuant to any provision of the DGCL or the Certificate of Incorporation or bylaws, or any action asserting a claim against us or any of our directors or officers governed by the internal affairs doctrine. This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers.

III. RISKS RELATED TO THE ACQUISITION OF IXIA

We may not realize all of the anticipated benefits of the acquisition of Ixia or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating the two businesses.

Our ability to realize the anticipated benefits of the acquisition of Ixia (the "Merger") will depend, to a large extent, on our ability to integrate our and Ixia's businesses. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating Ixia's business practices and operations with our existing business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively or if impacted by unforeseen negative economic or market conditions or other factors, we may not realize the full anticipated benefits of the Merger. Our failure to meet the challenges involved in integrating the two businesses to realize the anticipated benefits of the Merger could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management's attention. The difficulties of combining the operations of the companies include but are not limited to:

- the diversion of management's attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining Ixia's business with our business;
- difficulties entering new markets or manufacturing in new geographies where we have no or limited direct prior experience;
- difficulties in the integration of operations and systems;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- successfully managing relationships with our strategic partners and supplier and customer base; and
- challenges in maintaining existing, and establishing new, business relationships.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact the business, financial condition and our results of operations. In addition, even if the operations of our business and Ixia's business are integrated successfully, we may not realize the full benefits of the Merger, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Furthermore, additional unanticipated costs may be incurred in the integration of the businesses. Additionally, we may record significant goodwill and other assets as a result of acquisitions or investments, and we may be required to incur impairment charges, which could adversely affect our consolidated financial position and results of operations. All of these factors could decrease or delay the expected accretive effect of the Merger and negatively impact us. As a result, we cannot be certain that the combination of our and Ixia's businesses will result in the realization of the full benefits anticipated from the Merger.

IV. RISKS RELATED TO THE SEPARATION FROM AGILENT

We will be subject to continuing contingent liabilities of Agilent following the Separation.

After the Separation, there are several significant areas where the liabilities of Agilent may become our obligations. For example, under the U.S. Internal Revenue Code of 1986, as amended (the "Code") and the related rules and regulations, each corporation that was a member of the Agilent U.S. consolidated group during a taxable period or portion of a taxable period ending on or before the effective time of the distribution is severally liable for the U.S. federal income tax liability of the entire Agilent U.S. consolidated group for that taxable period. Consequently, if Agilent is unable to pay the consolidated U.S. federal income tax liability for a prior period, we could be required to pay the entire amount of such tax, which could be substantial and in excess of the amount allocated to it as agreed between us and Agilent at the time of Separation. Other provisions of federal law establish similar liability for other matters, including laws governing tax-qualified pension plans, as well as other contingent liabilities.

There could be significant liability if the distribution is determined to be a taxable transaction.

A condition to the distribution is that Agilent received an opinion of Baker & McKenzie LLP, tax counsel to Agilent, regarding the qualification of the Separation and the distribution as a reorganization within the meaning of Sections 355(a) and 368(a)(1)(D) of the Code. The opinion relies on certain facts, assumptions, representations and undertakings from Agilent and Keysight, including those regarding the

past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not satisfied, Agilent and its shareholders may not be able to rely on the opinion, and could be subject to significant tax liabilities. Notwithstanding the opinion of tax counsel, the IRS could determine on audit that the distribution is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion.

If the distribution were determined to be taxable for U.S. federal income tax purposes, Agilent and its shareholders that are subject to U.S. federal income tax could incur significant U.S. federal income tax liabilities. For example, if the distribution failed to qualify for tax-free treatment, Agilent would for U.S. federal income tax purposes be treated as if it had sold the Shares in a taxable sale for its fair market value, and Agilent's shareholders, who are subject to U.S. federal income tax, would be treated as receiving a taxable distribution in an amount equal to the fair market value of the Shares received in the distribution. In addition, if the Separation and distribution failed to qualify for tax-free treatment under federal, state and local tax law and/or foreign tax law, Agilent and Keysight could each incur significant tax liabilities under U.S. federal, state, local and/or foreign tax law.

Under the agreement between Agilent and Keysight pertaining to tax matters, as finalized at the time of Separation, we are generally required to indemnify Agilent against taxes incurred by Agilent that arise as a result of our taking or failing to take, as the case may be, certain actions that result in the distribution failing to meet the requirements of a tax-free distribution under Section 355 of the Code. Under the agreement between Agilent and Keysight, as finalized at the time of Separation, we may also be required to indemnify Agilent for other contingent tax liabilities, which could materially adversely affect our financial position.

V. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At various times, we use derivative financial instruments to limit exposure to changes in foreign currency exchange rates and interest rates. Because derivative instruments are used solely as hedges and not for speculative trading purposes, fluctuations in the market values of such derivative instruments are generally offset by reciprocal changes in the underlying economic exposures that the instruments are intended to hedge. For further discussion of derivative financial instruments, refer to Note 13, "Derivatives," included in Keysight's Form 10-K.

5.1 Currency exchange rate risk

We are exposed to foreign currency exchange rate risks inherent in our sales commitments, anticipated sales, and assets and liabilities denominated in currencies other than the functional currency of our subsidiaries. We hedge future cash flows denominated in currencies other than the functional currency using sales and expense forecasts up to twelve months in advance. Our exposure to exchange rate risks is managed on an enterprise-wide basis. This strategy utilizes derivative financial instruments, including option and forward contracts, to hedge certain foreign currency exposures with the intent of offsetting gains and losses that occur on the underlying exposures with gains and losses on the derivative contracts hedging them. We do not currently and do not intend to utilize derivative financial instruments for speculative trading purposes.

Our operations generate non-functional currency cash flows such as revenue, third-party vendor payments and inter-company payments. In anticipation of these foreign currency cash flows and in view of the volatility of the currency market, we enter into such foreign exchange contracts as described above to substantially mitigate our currency risk. Approximately 71 percent of our revenues in 2017 and 2016 and 75 percent of our revenues in 2015 were generated in U.S. dollars.

We performed a sensitivity analysis assuming a hypothetical 10 percent adverse movement in foreign exchange rates to the hedging contracts and the underlying exposures described above. As of

October 31, 2017 and 2016, the analysis indicated that these hypothetical market movements would not have a material effect on our consolidated financial position, results of operations or cash flows.

5.2 Interest rate risk

As of October 31, 2017, we had \$2,060 million in principal amount of senior debt outstanding. The carrying amount of the fixed-rate senior notes was \$1,799 million, and the related fair value based on quoted prices was \$1,890 million. A change in interest rates on long-term debt impacts the fair value of the company's fixed-rate long-term debt but not the company's earnings or cash flow because the interest on such debt is fixed. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise.

As of October 31, 2017, a hypothetical 10 percent increase in interest rates would have decreased the fair value of the company's fixed-rate long-term debt by approximately \$36 million. However, since the company currently has no plans to repurchase its outstanding fixed-rate instruments before their maturity nor do the investors in our fixed-rate debt obligations have the right to demand we pay off these obligations prior to maturity, the impact of market interest rate fluctuations on the company's fixed-rate long-term debt does not affect the company's results of operations or stockholders' equity.

SECTION B — SUPPLEMENTAL INFORMATION CONCERNING KEYSIGHT AND THE ESPP

I. THE OUTLINE

1.1 Purpose of the ESPP

The purpose of the ESPP is provide an opportunity for eligible employees of Keysight and its Designated Companies to purchase Shares and thereby have an additional incentive to contribute to the prosperity of Keysight.

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 September 4, 2018 (21,302,108 Shares) represents 11.37% of the 187,428,054 Shares outstanding as of August 30, 2018. Further, beginning on the first day of each fiscal year for the Company beginning in 2015, this number will be increased annually by 1% of the outstanding Shares on such date or such lesser amount as determined by the Committee, provided that the maximum number of Shares that may be issued under the ESPP is 75 million. 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 and fractional 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 or fractional 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 Shares

(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.

1.4 Purchase Price

The Purchase Price under the ESPP is equal to 85% 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 and fractional 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, 2024 unless it is otherwise terminated in accordance with the ESPP.

1.7 Amendment or Termination 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 ESPP, or revise or amend it in any respect whatsoever, except that, without the approval of shareholders, the Board may not increase the number of Shares subject to the ESPP, except as described in Section 1.2 above.

II. ELIGIBILITY

2.1 Eligible Employees

Any employee who is regularly employed 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 may not be eligible to participate in the ESPP:

- (a) Employees who are "highly compensation 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 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 fifth business day preceding the Purchase Date. 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

As of July 31, 2018, Keysight's authorized capital stock will consist of 1,000,000,000 Shares, and 100,000,000 shares of preferred stock, par value \$0.01 per share, all of which shares of preferred stock are undesignated. As of August 30, 2018, there were 187,428,054 Shares outstanding, and no shares of preferred stock were issued or outstanding.

The Shares are listed on the NYSE under the symbol "KEYS." The CUSIP number for the Shares is 49338L 103.

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, shareholders may hold Shares in certificated, book entry or street name form. The records are kept by Keysight's ESPP administrator, Computershare Trust Company, N.A. ("Computershare").

Computershare can be contacted through the web at <https://www-us.computershare.com/investor/Contact>, by telephone at +1-877-373-6374 (domestic) or +1-781-575-2879 (international) or by mail at Computershare, P.O. Box 30170, College Station, TX 77842-3170, U.S.A.

Keysight's designated ESPP broker is currently Fidelity Brokerage Services LLC ("Fidelity"). The address and telephone number of the broker is as follows:

Address: 100 Summer Street
Boston, MA 02110
U.S.A.
Telephone Number: +1-877-989-2727 (domestic) or +1-800-544-0275 (international)

Commission

The commission charged by Fidelity for sales of Shares purchased under the ESPP is \$7.95.

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 Participant will be charged a fee currently equal to \$0.000013 multiplied by the total principal amount of the sale proceeds. The SEC may announce new fee rates at its discretion.

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. The Board, subject to any restrictions contained in (a) the DGCL; or (b) the Certificate of Incorporation, may declare and pay dividends upon the Shares.

Under the DGCL and subject to preferences that may apply to shares of Keysight preferred stock outstanding at the time, the holders of outstanding Shares are entitled to receive dividends either (1) out of the surplus, or (2) in case there shall be no such surplus, out of the Company's net profits for the fiscal year in which the dividend is declared and/or the two preceding fiscal years as the Board may from time to time determine (see Section 170 of the DGCL).

Keysight has not paid any dividends, and does not anticipate paying any cash dividends in the foreseeable future. All decisions regarding the declaration and payment of dividends and repurchase stock are at the discretion of the Board and will be evaluated regularly in light of Keysight's financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors that the Board deems relevant.

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

Amendments to Certificate of Incorporation. The Certificate of Incorporation provides that the affirmative vote of the holders of at least 80% of its voting stock then outstanding is required to amend certain provisions relating to the number, term and removal of its directors, the filling of its Board vacancies, the advance notice to be given for nominations for elections of directors, the calling of special meetings of shareholders, shareholder action by written consent, the ability of the Board to amend the bylaws, the elimination of liability of directors to the extent permitted by Delaware law, exclusive forum for certain types of actions and proceedings that may be initiated by Keysight's shareholders and amendments of the certificate of incorporation.

Amendments to Bylaws. The Certificate of Incorporation and bylaws provide that they may be amended by the Board or by the affirmative vote of holders of a majority of Keysight's voting stock then outstanding, except that the affirmative vote of holders of at least 80% of Keysight's voting stock then outstanding is required to amend certain provisions relating to the calling of special meetings of shareholders, the business that may be conducted or considered at annual or special meetings, the advance notice of shareholder business and nominations, shareholder action by written consent, the number, tenure,

qualifications and removal of Keysight's directors, the filling of its Board vacancies, director and officer indemnification and amendments of the bylaws.

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.
- (7) To delete:
 - a. Such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and
 - b. Such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

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

The board of directors 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; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of the stockholders shall be required to adopt an amendment that only changes the name of the corporation. Such special or annual meeting shall be called and held upon written notice given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. 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. Upon a liquidation, dissolution or winding-up of Keysight, the assets legally available for distribution to stockholders are distributable ratably among the holders of the Shares outstanding at that time after payment of any liquidation preferences on any outstanding preferred stock.

No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

4.6 Transferability

The Shares in this offering under the ESPP are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable, unless the Shares are owned by one of Keysight's affiliates.

The ESPP is intended to provide Shares for investment and not for resale. Keysight 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 Keysight's stock trading policy, applicable securities laws and the notice provisions mentioned in Section III above. PARTICIPANTS ASSUME THE RISK OF ANY CURRENCY AND /OR MARKET FLUCTUATIONS AT THE TIME OF (I) THEIR CONTRIBUTION TO THE ESPP BY PAYROLL DEDUCTIONS AND (II) THE SELLING OF THEIR SHARES.

4.7 General Provisions Applying to Business Combinations

Keysight is 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 (but not the outstanding voting stock owned by the interested stockholder), those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee 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 two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an "interested stockholder" under Section 203 of the DGCL 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 (3) years.

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

- any merger or consolidation involving the corporation or any of its subsidiaries with the interested stockholder;
- any sale, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation or any of its subsidiaries to the interested stockholder;
- any transaction involving the corporation or any of its subsidiaries that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or of any such subsidiary beneficially 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 of its subsidiaries.

A Delaware corporation, such as Keysight, 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, Keysight 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 Keysight.

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 90% necessary to effect a short-form merger. Section 251(h) of the DGCL applies only to target corporations that have a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders, such as Keysight.

V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF JULY 31, 2018

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

Total Current Debt	\$	—
- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	—

Total Non-Current Debt (excluding current portion of long-term debt)	\$	1,790
- Guaranteed		
- Secured		
- Unguaranteed / Unsecured	\$	1,790
Stockholders' equity		
a. Share Capital and Additional Paid-in Capital	\$	1,878
b. Legal Reserve	\$	—
c. Total Other Reserves	\$	735
- Treasury Stock at Cost (3.7 million Shares at July 31, 2018)	\$	(142)
- Retained Earnings	\$	1,326
- Accumulated Other Comprehensive Loss	\$	(449)
Total Stockholders' Equity	\$	2,613

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

A.+ B.	Cash and Cash Equivalents	\$	742
C.	Short-term Investments		—
D.	Liquidity (A) + (B) + (C)	\$	742
E.	Current Financial Receivable	\$	—
F.	Current Bank Debt		—
G.	Current Portion of Non-current Debt		—
H.	Other Current Financial Debt		—
I.	Other Financial Debt (F) + (G) + (H)	\$	—
J.	Net Current Financial Indebtedness (I) – (E) – (D)	\$	(742)
K.	Non-current Bank Loans		
L.	Bonds Issued	\$	1,790
M.	Other Non-current Loans		
N.	Non-current Financial Indebtedness (K) + (L) + (M)	\$	1,790
O.	Net Financial Indebtedness (J) + (N)	\$	1,048

5.3 Indirect and Contingent Indebtedness

Standard Warranty

Effective December 1, 2017, the Keysight warranty on products sold through direct sales channel is primarily one year. Warranties for products sold through distribution channels continue to be primarily three years. We accrue for standard warranty costs based on historical trends in warranty charges. The accrual is reviewed regularly and periodically adjusted to reflect changes in warranty cost estimates. Estimated warranty charges are recorded within cost of products at the time related product revenue is recognized.

Activity related to the standard warranty accrual, which is included in other accrued and other long-term liabilities in our condensed consolidated balance sheet, is as follows:

	Nine Months Ended	
	July 31	
	2018	2017
	(in millions)	
Beginning balance	\$ 45	\$ 44
Accruals for warranties including change in estimate	28	24
Settlements made during the period	(26)	(23)
Ending balance	<u>\$ 47</u>	<u>\$ 45</u>
Accruals for warranties due within one year	\$ 26	\$ 24
Accruals for warranties due after one year	21	21
Ending balance	<u>\$ 47</u>	<u>\$ 45</u>

For additional information, please also refer to pages 94 - 95 of Keysight's Form 10-K.

Commitments

Operating Lease Commitments. We lease certain real and personal property from unrelated third parties under non-cancellable operating leases. Future minimum lease payments under operating leases as of October 31, 2017 were \$51 million in 2018, \$44 million in 2019, \$31 million in 2020, \$23 million in 2021, \$20 million in 2022 and \$53 million thereafter. Future minimum sublease income under leases as of October 31, 2017 was \$1 million in 2018, \$1 million in 2019, \$1 million in 2020, \$1 million in 2021, \$1 million in 2022 and none thereafter. Certain leases require us to pay property taxes, insurance and routine maintenance, and include escalation clauses. Total rent expense was \$51 million in 2017, \$45 million in 2016 and \$43 million in 2015.

Capital Lease Commitments. We had capital lease obligations of \$4 million and \$1 million as of October 31, 2017 and October 31, 2016, respectively. The current portion of the total obligation is included in other accrued liabilities and the remaining long-term portion is included in other long-term liabilities on the consolidated balance sheet. Future minimum lease payments, including financing charges, under capital leases as of October 31, 2017 were \$1 million in 2018, zero in 2019, \$1 million in 2020, zero in 2021, \$1 million in 2022 and \$2 million thereafter. Assets held under capital leases are included in net property, plant, and equipment on the consolidated balance sheet.

There were no material changes during the nine months ended July 31, 2018 to the operating and capital lease commitments reported in Keysight's Form 10-K and described above.

Contingencies

We are involved in lawsuits, claims, investigations and proceedings, including, but not limited to, patent, commercial and environmental matters, which arise in the ordinary course of business. There are no matters pending that we currently believe are reasonably possible of having a material impact to our business, consolidated financial condition, results of operations or cash flows.

Tax Matters

The Company is being audited in Malaysia for the 2008 tax year. Although this tax year pre-dates our spin-off from Agilent, pursuant to the agreement between Agilent and Keysight pertaining to tax matters,

as finalized at the time of Separation,³ for certain entities, including Malaysia, any historical tax liability is the responsibility of Keysight. In the fourth quarter of fiscal 2017, Keysight paid income taxes and penalties of \$68 million on gains related to intellectual property rights, although we are currently in the process of appealing to the Special Commissioners of Income Tax in Malaysia. The Company believes there are numerous defenses to the current assessment; the statute of limitations for the 2008 tax year in Malaysia was closed and the income in question is exempt from tax in Malaysia. The Company is disputing this assessment and pursuing all avenues to resolve this issue favorably for the Company.

VI. MAXIMUM DILUTION AND NET PROCEEDS

6.1 Maximum Dilution

The Shares under the ESPP are offered pursuant to this prospectus to 2,062 eligible employees⁴ in Finland, Germany, Romania, Spain 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.

Keysight's Offering Periods consist of the six-month periods commencing 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 2018, each Participant would be entitled to purchase a maximum of 380.3 Shares, including fractional Shares, in April 2019 for a maximum of \$21,250.22 in contributions per Participant. These amounts are based on a hypothetical Share price of \$65.74 (which was the closing price of the Shares on September 6, 2018), on November 1, 2018 (*i.e.*, the first trading day of the Offering Period beginning November 1, 2018, at which time the \$25,000 limit for the Offering Period beginning on such date will be calculated), and a hypothetical purchase price of \$55.88 (85% of \$65.74) on April 28, 2019 (*i.e.*, the last trading day of the Offering Period beginning November 1, 2018).

Participants would also be able to purchase additional Shares during the next Offering Period (*i.e.*, May 1, 2019 – October 31, 2019). Assuming that (i) no other ESPP contribution limitations are exceeded, (ii) the hypothetical Share price on May 1, 2019 (*i.e.*, the first trading day of the Offering Period beginning May 1, 2019, at which time the \$25,000 limit for the Offering Period beginning on such date will be calculated) is again \$65.74 and (iii) that the hypothetical purchase price on October 31, 2019 (*i.e.*, the last trading day of the Offering Period beginning May 1, 2019), is again \$55.88 (85% of \$65.74), a Participant would again be able to purchase a maximum of 380.3 Shares, including fractional Shares, for a maximum of \$21,250.22 in contributions. Assuming that all of the Participants would each purchase a total of 380.3 Shares in the Offering Periods beginning November 1, 2018 and May 1, 2019, the maximum number of Shares offered pursuant to this prospectus amounts to 1,568,316.00 Shares.

Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 2,062 eligible employees in Finland, Germany, Romania, Spain and the United Kingdom would all be newly issued, the holdings of a shareholder of Keysight holding 1% of the total outstanding share capital of Keysight as of August 30, 2018, that is 1,874,281, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:

³ Under the agreement between Agilent and Keysight pertaining to tax matters, as finalized at the time of Separation, Keysight is generally required to indemnify Agilent against taxes incurred by Agilent that arise as a result of Keysight's taking or failing to take, as the case may be, certain actions that result in the distribution failing to meet the requirements of a tax-free distribution under Section 355 of the Code. Under the agreement between Agilent and Keysight, as finalized at the time of Separation, Keysight may also be required to indemnify Agilent for other contingent tax liabilities, which could materially adversely affect its financial position.

⁴ As of September 10, 2018, there were 168 eligible employees in Finland, 624 eligible employees in Germany, 427 eligible employees in Romania, 337 eligible employees in Spain and 506 eligible employees in the United Kingdom.

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the issuance of Shares under the ESPP (as of August 30, 2018)	1.00%	187,428,054
After issuance of 1,568,316 Shares under the ESPP	.992%	188,996,370

6.2 Net Proceeds

Assuming that each of the 2,062 eligible employees in Finland, Germany, Romania, Spain and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of 760.6 Shares each (including fractional Shares), for a maximum of \$42,500.44 in contributions per person, at \$55.88 (85% of a hypothetical Share price of \$65.74 which was the closing price of the Shares on September 6, 2018), and assuming that the Shares offered under the ESPP would all be newly issued, then the gross proceeds of the Company in connection with the offer under the ESPP pursuant to this prospectus would be \$87,635,907.28. After deducting approximately \$70,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$87,565,907.28. The net proceeds will be used for general corporate purposes.

VII. DIRECTORS AND EXECUTIVE OFFICERS

7.1 Board of Directors as of August 20, 2018

Name	Age	Position
Paul N. Clark	71	Chairman of the Board
James G. Cullen	75	Director
Charles J. Dockendorff	64	Director
Jean M. Halloran	65	Director
Richard Hamada	60	Director
Robert A. Rango	59	Director
Ronald S. Nersesian	58	Director

Paul N. Clark was a Strategic Advisory Board member of Genstar Capital, LLC from August 2007 to December 2016 and was an Operating Partner from August 2007 to January 2013. Genstar Capital LLC is a middle market private equity firm that focuses on investments in selected segments of life sciences and healthcare services, industrial technology, business services and software. Prior to that, Mr. Clark was the Chief Executive Officer and President of ICOS Corporation, a biotherapeutics company, from June 1999 to January 2007, and the Chairman of the Board of Directors of ICOS from February 2000 to January 2007. From 1984 to December 1998, Mr. Clark worked in various capacities for Abbott Laboratories, a health care products manufacturer, retiring from Abbott Laboratories as Executive Vice President and a board member. His previous experience included senior positions with Marion Laboratories, a pharmaceutical company, and Sandoz Pharmaceuticals (now Novartis Corporation), a pharmaceutical company. Mr. Clark received a B.A. in finance from the University of Alabama and an M.B.A from Dartmouth College. Mr. Clark has significant experience with Keysight and its businesses, having been a director of Keysight's predecessor, Agilent, since May 2006. He additionally brings extensive management experience from numerous senior management positions and considerable public company director experience.

Public Directorships:

- Agilent Technologies, Inc.

Former Public Directorships Held During the Past Five Years:

- Biolase, Inc.
- Catalent Pharma Solutions, Inc.

James G. Cullen was President and Chief Operating Officer of Bell Atlantic Corporation (now known as Verizon) from 1997 to June 2000 and a member of the office of chairman from 1993 to June 2000. Prior to this appointment, Mr. Cullen was the President and Chief Executive Officer of the Telecom Group of Bell Atlantic from 1995 to 1997. Prior to the creation of Bell Atlantic on January 1, 1984, Mr. Cullen held management positions with New Jersey Bell from 1966 to 1981 and AT&T from 1981 to 1983. Mr. Cullen holds a B.A. in Economics from Rutgers University and an M.S. in Management Science from the Massachusetts Institute of Technology. Mr. Cullen has considerable managerial and operational experience and expertise from his senior leadership position with Bell Atlantic and its predecessors. In addition, Mr. Cullen brings significant public company director experience and perspective on public company management and governance. Mr. Cullen has a strong understanding of Keysight's business having served on the board of Agilent for over 10 years, including more than five years as the non-executive chairman.

Public Directorships:

- Agilent Technologies, Inc.
- Avinger, Inc.

Former Public Directorships Held During the Past Five Years:

- Johnson & Johnson
- Neustar, Inc.
- Prudential Financial, Inc

Charles J. Dockendorff served as the Executive Vice President and Chief Financial Officer of Covidien plc from 2006 until his retirement in March 2015, and as Vice President and Chief Financial Officer from 1995 to 2006. Mr. Dockendorff joined the Kendall Healthcare Products Company as Controller and was named Vice President and Controller in 1994. He was appointed CFO of Tyco Healthcare in 1995. Prior to joining Kendall/Tyco Healthcare, Mr. Dockendorff was the Chief Financial Officer, Vice President of Finance and Treasurer of Epsco Inc. and Infrared Industries, Inc. In addition, Mr. Dockendorff worked as an accountant for Arthur Young & Company (now Ernst & Young) and the General Motors Corporation. Mr. Dockendorff is a Certified Public Accountant and holds a Bachelor's degree in Business Administration and Accounting from the University of Massachusetts and a Master of Science degree in Finance from Bentley College. As a result of Mr. Dockendorff's significant financial experience, Mr. Dockendorff provides the Board with extensive accounting, tax, treasury, financial planning, and audit knowledge.

Public Directorships:

- Boston Scientific Corporation
- Haemonetics Corporation
- Hologic, Inc.

Former Public Directorships Held During the Past Five Years:

None

Jean M. Halloran served as Senior Vice President of Human Resources for Agilent Technologies from August 1999 through October 2014. She directed all aspects of Agilent's talent and rewards management, leadership development and culture. Ms. Halloran has extensive experience in Human Resources, extending back to when she joined Hewlett Packard's Medical Products Group in 1980. Within that group, she held various positions in Manufacturing, Quality and Strategic Planning as well as Human Resources. In 1993, Ms. Halloran headed Human Resources for HP's Measurement

Systems Organization and, in 1997, was appointed Director of Education for the company. Ms. Halloran received her BA from Princeton University and an MBA from Harvard University. Ms. Halloran has served as a director of several schools and non-profit organizations. Ms. Halloran has in-depth knowledge of Keysight and its businesses, having been a leader at Keysight's predecessors, Agilent and HP, for over 30 years. Over the course of her career, she developed considerable expertise in Keysight's businesses, policies and practices. This perspective provides valuable insight on the Board.

Public Directorships:

None

Former Public Directorships Held During the Past Five Years:

None

Richard Hamada served as the Chief Executive Officer of Avnet, Inc. from July 2011 until July 2016 and as a member of the Avnet Board of Directors from February 2011 until July 2016. He first joined Avnet in 1983 and has served in many capacities including President from May 2010 until July 2011 and Chief Operating Officer from July 2006 until July 2011, as President of Avnet's Technology Solutions operating group from July 2003 until July 2006, and as President of its Computer Marketing business unit from January 2002 until July 2003. Mr. Hamada holds a Bachelor of Science degree in Finance from San Diego State University where, in June 2009, he was named as a member of the College of Business Administration Advisory Board. As a result of Mr. Hamada's broad background in the technology and electronics industries, spanning his career, Mr. Hamada provides the Board with extensive sales, marketing and management knowledge.

Public Directorships:

None

Former Public Directorships Held During the Past Five Years:

- Avnet, Inc.

Robert A. Rango has served as the President and Chief Executive Officer of Enevate Corporation since June 2016. Mr. Rango served from 2002 to 2014 as an executive at Broadcom Corporation. From 2010 to 2014, he served as Executive Vice President and General Manager of Broadcom's Mobile and Wireless Group. During his tenure at Broadcom, Mr. Rango held many senior management positions in the company's Network Infrastructure Business Unit, Mobile and Wireless Group and Wireless Connectivity Group. Mr. Rango received his Bachelor of Engineering degree in Electrical Engineering from State University of New York and his Master of Engineering in Electrical Engineering from Cornell University. Mr. Rango possesses significant operating and leadership skills, including extensive experience in global semiconductor product marketing, development and sales. His mobile, wireless, semiconductor, optical, software and technology management expertise makes him a valuable member of the Board.

Public Directorships:

- Integrated Device Technology
- KLA Tencor Corporation

Former Public Directorships Held During the Past Five Years:

None

Ronald S. Nersesian has served as President and Chief Executive Officer of Keysight since December 2013 and, prior to the Separation, served as Executive Vice President of Agilent. Mr Nersesian additionally served as President of Agilent from November 2012 to September 2013 and as Chief Operating Officer, Agilent from November 2011 to September 2013. From November 2011 to November 2012, Mr. Nersesian served as Agilent's Executive Vice President and Chief Operating Officer. He served as Senior Vice President, Agilent, and President, Electronic Measurement Group from March 2009 to November 2011, as Agilent's Vice President and General Manager of the Wireless Business Unit of the

Electronics Measurement Group from February 2005 to February 2009, and as Agilent's Vice President and General Manager of the Design Validation Division from May 2002 to February 2005. Prior to joining Agilent, Mr. Nersesian served in management positions with LeCroy Corporation from 1996 to 2002. From 1984 through 1996, Mr. Nersesian served in various roles with HP, Inc. Mr. Nersesian holds a bachelor's degree in electrical engineering from Lehigh University and an MBA from New York University, Stern School of Business. Mr. Nersesian brings to the Board strong business operational experience with technology companies and management expertise developed over three decades.

Public Directorships:

- Trimble Inc.

Former Public Directorships Held During the Past Five Years:

None

7.2 Executive Officers as of August 20, 2018

Name	Age	Position
Ronald S. Nersesian	58	President and Chief Executive Officer
Neil Dougherty	49	Senior Vice President and Chief Financial Officer
Jay Alexander	55	Senior Vice President and Chief Technology Officer
Ingrid Estrada	54	Senior Vice President, Chief People & Administrative Officer and Chief of Staff
Satish Dhanasekaran	45	Senior Vice President and President of the Communications Solutions Group
Mark Pierpoint	55	Senior Vice President and President of the Ixia Solutions Group
Soon Chai Gooi	57	Senior Vice President and President of the Electronic Industrial Solutions Group
John Page	54	Senior Vice President and President of Services Solutions Group
Mark Wallace	53	Senior Vice President of Worldwide Sales
Stephen Williams	46	Senior Vice President, General Counsel and Secretary
John Skinner	56	Vice President, Corporate Controller and Principal Accounting Officer

Ronald S. Nersesian. For information regarding Mr. Nersesian, please see above in Section 7.1 of this prospectus.

Neil Dougherty has served as Senior Vice President and Chief Financial Officer of Keysight since December 2013 and, prior to the Separation, served as Vice President and Treasurer of Agilent, since 2012. He served as Senior Director in Agilent's Corporate Development Group from 2010 to 2012, and from 2006 to 2010, he served as Agilent's Assistant Treasurer.

Jay Alexander has served as Senior Vice President and Chief Technology Officer of Keysight since May 2014 and, from October 2009 until prior to the Separation, he served as Vice President and General Manager for the Oscilloscope and Protocol Division of Agilent.

Ingrid Estrada has served as Senior Vice President, Chief People & Administrative Officer and Chief of Staff since August 2017. Previously, she served as Keysight's senior vice president, Human Resources, from December 2013 until August 2017. Prior to the Separation, she served as Vice President and General Manager of Global Sourcing of Agilent from 2011.

Satish Dhanasekaran has served as Senior Vice President and president of the Communications Solutions Group (CSG) since July 2017. Previously, he served as Keysight's vice president and general manager, Wireless Devices and Operators business segment, as well as a variety of customer-facing leadership positions.

Mark Pierpoint has served as Senior Vice President of the Ixia Solutions Group (ISG) since December 2017. Mr. Pierpoint joined the Company in 1987 and has held multiple management positions in R&D, sales, marketing, and operations across various businesses groups. Before being named Ixia Solutions Group President, Mr. Pierpoint served as vice president and general manager of the Internet Infrastructure business within the Communications Solutions Group at Keysight Technologies.

Soon Chai Gooi has served as Senior Vice President and President of the Electronic Industrial Solutions Group since November 2015. From December 2013 to November 2015, Mr. Gooi served as Senior Vice President of Order Fulfillment and Infrastructure for Keysight. Prior to the Separation, Mr. Gooi served as President, from November 2012 to September 2013, and as Senior Vice President, from December 2011 to November 2012, of Agilent's Order Fulfillment and Supply Chain.

John Page has served as Senior Vice President and President of Services Solutions Group since November 2015 and most recently served as vice president of business finance of Keysight from February 2014 to November 2015. Prior to joining Keysight, Mr. Page served as the Chief Financial Officer of Nanosys, Inc. from 2010 to 2014.

Mark Wallace has served as Senior Vice President of Worldwide Sales since November 2016. From November 2014 to November 2016, Mr. Wallace served as Vice President and General Manager of Americas Field Operations, and prior to the Separation from Agilent, as Americas Field Operations Vice President of Agilent's Electronic Measurement Group since November 2011.

Stephen Williams has served as Senior Vice President, General Counsel and Secretary of Keysight since December 2013 and, prior to the Separation, served as Agilent's Vice President, Assistant General Counsel and Assistant Secretary since November 2009.

John Skinner has served as Vice President, Corporate Controller and Principal Accounting Officer of Keysight since December 2013 and, prior to the Separation, Mr. Skinner served as Vice President, Agilent and Controller of Global Infrastructure and Enterprise Financial Planning and Analysis from April 2012 to December 2013.

7.3 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of Keysight 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 Keysight; 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

The majority of the Board is “independent” as defined by the rules of the NYSE and the Corporate Governance Guidelines adopted by the Board. The criteria adopted by the Board to assist it in making determinations regarding the independence of its members are consistent with the NYSE listing standards regarding director independence. To be considered independent, the Board has to determine that a director does not have a material relationship with Keysight or its subsidiaries (either directly or as a partner, stockholder or officer of an organization that has a relationship with Keysight or its subsidiaries). In assessing independence, the Board considers all relevant facts and circumstances. In particular, when assessing the materiality of a director’s relationship with Keysight or its subsidiaries, the Board considers the issue not just from the standpoint of the director, but also from that of the persons or organizations with which the director has an affiliation.

The Board assesses on a regular basis, and at least annually, the independence of directors and, based on the recommendation of the Nominating and Corporate Governance Committee, make a determination as to which members are independent.

Related Person Transactions Policy and Procedures

The Company’s Standards of Business Conduct and Director Code of Ethics require that all employees and directors avoid conflicts of interests that interfere with the performance of their duties or the best interests of the Company. In addition, the Company has adopted a written Related Person Transactions Policy and Procedures (the “Related Person Transactions Policy”) that prohibits any of the Company’s executive officers, directors or any of their immediate family members from entering into a transaction with the Company, except in accordance with the policy. For purposes of the policy, a “related person transaction” includes any transaction (within the meaning of Item 404(a) of the Securities and Exchange Commission’s Regulation S-K) involving the Company and any related person that would be required to be disclosed pursuant to Item 404(a) of the Securities and Exchange Commission’s Regulation S-K.

Under our Related Person Transactions Policy, the General Counsel must advise the Nominating and Corporate Governance Committee of any related person transaction of which he becomes aware. The Nominating and Corporate Governance Committee must then either approve or reject the transaction in accordance with the terms of the policy. In the course of making this determination, the Nominating and Corporate Governance Committee shall consider all relevant information available to it and, as appropriate, must take into consideration the following:

- the size of the transaction and the amount payable to the related person;
- the nature of the interest of the related person in the transaction;
- whether the transaction may involve a conflict of interest; and
- whether the transaction involved the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties.

Under the Related Person Transactions Policy, Company management screens for any potential related person transactions, primarily through the annual circulation of a Directors and Officers Questionnaire (“D&O Questionnaire”) to each member of the Board and each officer of the Company that is a reporting person under Section 16 of the Exchange Act. The D&O Questionnaire contains questions intended to

identify related persons and transactions between the Company and related persons. If a related person transaction is identified, such transaction is brought to the attention of the Nominating and Corporate Governance Committee for its approval, ratification, revision, or rejection in consideration of all of the relevant facts and circumstances.

The Nominating and Corporate Governance Committee must approve or ratify each related person transaction in accordance with the policy. Absent this approval or ratification, no such transaction may be entered into by the Company with any related person.

In 2014, the Board adopted the Related Person Transactions Policy to provide for standing pre-approval of limited transactions with related persons. Pre-approved transactions include:

- Any transaction with another company at which a related person's only relationship is as an employee (other than an executive officer or an equivalent), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of (i) \$1,000,000, or (ii) 2% of that company's total annual revenues.
- Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a related person's only relationship is as an employee (other than an executive officer or an equivalent), a director or a trustee, if the aggregate amount involved does not exceed the lesser of \$500,000, or 2% of the charitable organization's total annual receipts.

Keysight will disclose the terms of related person transactions in its filings with the SEC to the extent required.

Transactions with Related Persons

We purchase services, supplies, and equipment in the normal course of business from many suppliers and sell or lease products and services to many customers. In some instances, these transactions occur with companies with which members of our management or Board have relationships as directors or executive officers. For transactions entered into during fiscal year 2017, none exceeded or fell outside of the pre-approved thresholds set forth in our Related Party Transaction Policy.

During fiscal year 2017, we did not enter into any financial transaction, arrangement or relationship in which a related person had or will have direct or indirect material interest, in an amount exceeding \$120,000, except for the following:

- BlackRock, Inc. holds 7.7% of Keysight's total outstanding equity pursuant to information contained in a Schedule 13G filed with the SEC on January 25, 2017. During fiscal year 2017, Keysight purchased from BlackRock Advisors (UK) Ltd., a subsidiary of BlackRock, Inc. approximately \$280,000 of products and/or services. The transactions with BlackRock Advisors (UK) Ltd. fell within Keysight's pre-approved transactions.

Benefits and Limited Perquisites

Our global benefits philosophy is to provide our executive officers, including our named executive officers ("NEOs") included in the Summary Compensation Table on page 54 of Keysight's Definitive Proxy Statement, filed with the SEC on February 2, 2018 ("Keysight's Proxy Statement"), with protection and security through health and welfare, retirement, and life insurance programs. Generally, the Compensation Committee's philosophy is to provide only perquisites and other personal benefits that we provide to all employees.

In addition to these Company-wide benefits, our NEOs are offered Company-paid financial counseling through a third-party service to assist with their personal finances. Providing this service gives our NEOs

a better understanding of their compensation and benefits, allowing them to concentrate on their responsibilities and our future success. Our executive officers, including our NEOs, are also offered physical examinations, for which we cover the costs that are not otherwise covered under each of our NEOs' chosen health plan. We believe that the executive physical is a prudent measure to help ensure the health of our executive officers. Both the financial counseling and the executive physicals are benefits generally provided by our peers and are available to us at a reasonable group cost.

Our NEOs are offered Company paid relocation services, mortgage subsidies and tax assistance. Our executive officers also had access to Company drivers to transport them and their families to the airport for personal travel, as do other Company executives.

In October 2017 a number of Keysight employees either lost their homes or were temporarily displaced as a result of several wildfires in the Santa Rosa area in the state of California. To assist those employees, the Company offered \$10,000 to each employee that lost their home to the wildfires and \$1,000 to each employee that was temporarily displaced by the wildfires. The same level of assistance was offered to our NEOs who were affected by the wildfires.

Termination Arrangements – Severance Plan, Change of Control Severance Agreements & Equity Award Acceleration

Set forth below is a description of the plans and agreements that could result in potential payments to our NEOs in the case of their termination of employment and/or a change of control of Keysight.

Severance Plan

On March 18, 2015, the Compensation Committee adopted the Keysight Technologies, Inc. Officer and Executive Severance Plan (the "Severance Plan"). The Severance Plan provides for severance payments and benefits ("Severance Benefits") to our executive officers and vice presidents. The Severance Benefits do not apply in connection with a change of control of Keysight if an executive officer or vice president is covered under a change of control severance agreement or similar arrangement with Keysight. Accordingly, our NEOs who have each entered into a Change of Control Severance Agreement with us would only be entitled to the Severance Benefits in connection with a termination that occurs outside of the change of control context. The Severance Plan replaces any benefits provided by a workforce management program.

In general, in order to qualify for Severance Benefits, the executive officer's or vice president's employment must have been terminated either (i) by us other than for "cause", misconduct, death, or physical or mental incapacity or (ii) by the executive officer or vice president for "good reason". In addition to satisfying other conditions set forth in the Severance Plan, to qualify for Severance Benefits, the executive officer or vice president must execute a general release of claims in favor of Keysight and comply with certain post-termination restrictions, including, among other things, not soliciting our employees or the employees of our affiliates for a period of two years, continuing to comply with the terms his or her proprietary information and non-disclosure agreement, not making certain public statements concerning Keysight without first receiving Keysight's written approval, and not taking actions that could cause Keysight or its employees or agents any embarrassment or humiliation or otherwise cause or contribute to Keysight or any such person being held in disrepute by the general public or Keysight's employees, clients, or customers.

The Severance Plan provides for: (i) a lump sum cash severance payment, (ii) a pro-rated annual bonus, if any, for the performance period in which the executive officer's or vice president's employment terminates, subject to the achievement of the performance goals and other terms and conditions that apply to him or her for that performance period, provided that any individual goals will be deemed to have been earned at target, (iii) 12 months of accelerated vesting of stock awards that are subject only to service-based vesting conditions and are held by executive officers and vice presidents that are not retirement eligible, (iv) waiver of the service-vesting condition for restricted stock unit ("RSU") and/or restricted stock awards that are subject to performance-based vesting conditions, which will remain

outstanding subject to the applicable performance conditions, and (v) a lump sum cash payment of \$20,000 (\$40,000 in the case of our CEO) to pay for the cost of COBRA health benefit continuation coverage or to be used for any other purpose the executive officer or vice president chooses.

The amount of the lump sum severance payment in the case of our executive officers, equals 100% (200% in the case of our CEO) of the sum of (i) his or her current annual base salary and (ii) his or her average actual annual bonus percentage as compared to the target percentage paid for the three fiscal years prior to the fiscal year in which he or she terminates employment, applied to his or her current base salary. For our vice presidents, the amount of the lump sum severance payment equals 100% of his or her annual base salary and does not take into account his or her bonus.

Further, if the executive officer or vice president is retirement-eligible under the terms of the applicable stock award, the executive officer or vice president will not receive the benefits described above but will instead benefit from the retirement treatment set forth in such award in accordance with its terms and the requirements of Section 409A of the Code.

Change of Control Severance Agreements

As noted above, each of our NEOs has entered into a Change of Control Severance Agreement with us. Under the Change of Control Severance Agreements, if a change of control of Keysight occurs and an NEO is involuntarily terminated without “cause” or voluntarily terminates within 3 months following the occurrence of an event constituting “good reason”, and such involuntary termination or “good reason” event occurs (i) within three months prior to a change of control, (ii) at the time of or within 24 months following the occurrence of a change of control, or (iii) at any time prior to a change of control, if such termination is at the request of the acquirer, then the NEO will be entitled to: (i) two times, or with respect to Mr. Nersesian three times, the sum of his base salary and target bonus, (ii) payment of \$80,000 for medical insurance premiums, (iii) full vesting of all outstanding stock options and stock awards not subject to performance-based vesting, and (iv) a pro-rated bonus under any bonus plan applicable to the NEO, for the performance period in which the NEO’s termination of employment occurs equal to the amount, if any, of the bonus the NEO would have been paid based on the achievement of performance goals under the terms of such bonus plan had the NEO continued employment with Keysight until the end of such performance period. In addition, if the NEO experiences a qualifying termination prior to a change of control and any of his unvested stock awards terminate prior to the change of control before such awards would have otherwise vested on account of the qualifying termination, the NEO will receive a cash payment equal to the value of the shares that would have vested on the date of the change of control less any exercise price. The NEO’s stock awards that are subject to performance-based vesting will be governed by the applicable award agreement. The Change of Control Severance Agreements replace any benefits provided by a workforce management program.

As a condition to receiving such severance benefits, an NEO must execute a release of all of his rights and claims relating to his employment and comply with certain post-termination restrictions, including, among other things, not soliciting our employees or the employees of our affiliates for a period of two years, continuing to comply with the terms his proprietary information and non-disclosure agreement, not making certain public statements concerning Keysight without first receiving the Keysight’s written approval, and not taking actions that could cause Keysight or its employees or agents any embarrassment or humiliation or otherwise cause or contribute to Keysight or any such person being held in disrepute by the general public or Keysight’s employees, clients, or customers.

The Change of Control Severance Agreements with our NEOs do not provide for tax gross-ups of payments subject to the “golden parachute” excise tax under Section 4999 of the Code. Each Change of Control Severance Agreement instead contains a “better after-tax” provision, which provides that if any of the payments to the NEO constitutes a parachute payment under Section 280G of the Code, the payments will either be (i) reduced or (ii) provided in full to the NEO, whichever results in the NEO receiving the greater amount after taking into consideration the payment of all taxes, including the excise tax under Section 4999 of the Code.

Acceleration and Continued Vesting of Equity Awards

Under each NEO's stock award agreements, if an NEO dies or becomes fully disabled, his unvested stock options or stock awards that are subject only to service-based vesting conditions will fully vest and any performance awards will be earned, if at all, based on the satisfaction of the applicable performance measures and pro-rated if such death or disability occurs within the first 12 months of the vesting period. In addition, under each NEO's stock award agreements when an NEO retires, his stock options and stock awards that are subject only to service-based vesting conditions continue to vest and any performance awards will be earned, if at all, based on the satisfaction of the applicable performance measures and pro-rated if such retirement occurs within the first 12 months of the vesting period. Currently, only Mr. Nersesian, Mr. Alexander, Mr. Gooi, and Mr. Gasparian are entitled to retirement vesting based on company-wide equity award agreement eligibility. In addition, in the event there is a change of control, under the Stock Plan, options or stock awards will fully vest immediately prior to the closing of the transaction unless such awards are assumed, converted or replaced in full by the successor corporation or a parent or subsidiary of the successor. Stock options and stock awards that are subject only to service-based vesting conditions vest on a "double-trigger" basis in connection with a change of control of Keysight pursuant to the Severance Plan and each NEO's Change of Control Severance Agreement as discussed above, while each NEO's performance awards provide that in the event of a change of control, such awards will be paid out at the greater of the target award or the accrued amount of the payout but will be pro-rated if such change of control occurs within the first 12 months of the vesting period.

"Cause," "Good Reason" and "Change of Control" Definitions

Please refer to page 64 of Keysight's Proxy Statement.

Termination and Change of Control Table

For each of our NEOs, the table on pages 65 - 68 of Keysight's Proxy Statement estimates the amount of compensation that would be paid in the event of the following:

- a change of control of Keysight occurs and the NEO experiences a qualifying termination under his Change of Control Severance Agreement;
- a qualified termination under the Severance Plan;
- a voluntary termination by the NEO or an involuntary termination of the NEO by Keysight with cause;
- the termination of the NEO due to death or disability;
- the retirement of the NEO;
- a change of control of Keysight in which stock awards are not assumed, converted or replaced in full by the successor corporation or a parent or subsidiary of the successor; or
- a change of control of Keysight in which stock awards are assumed, converted or replaced in full by the successor corporation or a parent or subsidiary of the successor.

VIII. EMPLOYEES

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

The following table sets forth, as of December 31, 2017, the beneficial ownership of the Shares by each director and each of the NEOs and the beneficial ownership of the Shares by all directors and executive officers as a group.

The number of Shares beneficially owned by each entity, person, director or executive officer is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any Shares as to which the individual has the sole or shared voting power or investment power and also any Shares that the individual has the right to acquire as of March 1, 2018, 60 days after December 31, 2017, through the exercise of any stock option. Unless otherwise indicated, each person has sole investment and voting power, or shares such powers with his or her spouse, with respect to the Shares set forth in the following table. As of December 31, 2017, there were 187,300,528 Shares outstanding.

The address of each director, director nominee and executive officer shown in the table below is c/o Keysight, Attention: Secretary, 1400 Fountaingrove Parkway, Santa Rosa, California 95403, U.S.A.

Name of Beneficial Owners	Number of Shares of Common Stock	Number of Share Subject to Exercisable Options ⁽¹⁾	Deferred Stock ⁽²⁾	Total Shares Beneficially Owned	Percentage of Class
Ronald S. Nersesian	78,564	429,216	132,007	639,787	*
Jay Alexander	26,241	51,846	3,227	81,314	*
Paul N. Clark	328	-	52,744	53,072	*
James G. Cullen	22,322	-	10,522	32,844	*
Charles J. Dockendorff	13,210	-	38,590	51,800	*
Neil Dougherty	39,106	83,129	35,511	157,746	*
Mike Gasparian	42,827	5,000	-	47,827	*
Soon Chai Gooi	164,050	153,843	-	317,893	*
Bethany Mayer	-	-	-	-	*
Jean M. Halloran	35,452	-	-	35,452	*
Richard Hamada	-	-	32,788	32,788	*
Robert A. Rango	-	-	13,245	13,245	*
Mark B. Templeton (3)	-	-	12,846	12,846	*
All directors and executive officers as a group (17 persons)	541,246	930,054	336,171	1,807,471	0.97%

* Less than one percent.

- (1) "Exercisable Options" means options that may be exercised as of March 1, 2018.
- (2) Represents the number of deferred shares or share equivalents held by Fidelity Management Trust Company under the Deferred Compensation Plan or similar arrangement to which voting or investment power exists.
- (3) On July 19, 2018, Mark B. Templeton resigned as a director of the Company, effective immediately, in order to focus on his duties as Chief Executive Officer of DigitalOcean. Mr. Templeton's resignation was not due to any disagreements between Mr. Templeton and the Company on any matter relating to the Company's operations, policies or practices.

As of the date of the prospectus, Keysight's directors and executive officers listed in Sections 7.1 and 7.2, respectively, hold, individually, less than 1% of the Shares representing Keysight's capital stock.

8.2 Stock Plans

Keysight accounts for share-based awards in accordance with the provisions of the authoritative accounting guidance, which requires the measurement and recognition of compensation expense for all share-based payment awards made to our employees and directors, including employee stock option awards, RSUs, employee stock purchases made under the ESPP and performance share awards

granted to selected members of our senior management under the Long-Term Performance (“LTP”) Program based on estimated fair values.

On November 1, 2014, Keysight became an independent publicly-traded company through the distribution by Agilent of 100 percent of the outstanding Shares to Agilent's shareholders. Prior to the Separation, Keysight employees participated in Agilent's equity plans. Upon the Separation, outstanding Keysight employee stock options, RSUs and LTP Program awards previously issued under Agilent's equity plans were adjusted and converted into new Keysight stock-based awards under the Keysight 2014 Equity and Incentive Compensation Plan using a formula designed to preserve the intrinsic value and fair value of the awards immediately prior to the Separation. These adjusted awards retained the vesting schedule and expiration date of the original awards.

Description of Keysight's Share-Based Plans

Incentive compensation plans. The 2014 Equity and Incentive Compensation Plan (the "2014 Stock Plan") was originally adopted by the Board on July 16, 2014, subsequently amended and restated by the Board on September 29, 2014 and on January 22, 2015 and became effective as of November 1, 2014 (the “Effective Date”). The Board initially reserved 25 million Shares that may be issued under the 2014 Stock Plan, plus any Shares forfeited or cancelled under the 2014 Stock Plan and subsequently reduced the number to 17 million Shares. The 2014 Stock Plan provides for the grant of awards in the form of stock options, stock appreciation rights, restricted stock, RSUs, performance shares and performance units with performance-based conditions on vesting or exercisability, and cash awards. The 2014 Stock Plan has a term of ten years. As of October 31, 2017, approximately 5 million Shares were available for future awards under the 2014 Stock Plan.

Stock options granted under the 2014 Stock Plan may be either "incentive stock options," as defined in Section 422 of the Internal Revenue Code, or non-statutory. Options generally vest at a rate of 25 percent per year over a period of four years from the date of grant and generally have a maximum contractual term of ten years. The exercise price for stock options is generally not less than 100 percent of the fair market value of the Shares on the date the stock award is granted.

Effective November 1, 2014, the Compensation Committee of the Board approved the Performance awards plan, which is a performance stock award program administered under the 2014 Stock Plan, for the Company's executive officers and other key employees. Participants in this program are entitled to receive unrestricted Shares after the end of a three-year period, if specified performance targets are met. Performance awards are generally designed to meet the criteria of a performance award with the performance metrics and peer group comparison set at the beginning of the performance period. Based on the performance metrics the final award may vary from zero to 200 percent of the target award. The maximum contractual term for awards under the Performance awards program is three years. Awards granted under the LTP Program are based on a variety of targets, such as total shareholder return (TSR) or financial metrics such as operating margin, cost synergies and others. We consider the dilutive impact of this program in our diluted net income per share calculation only to the extent that the performance conditions are met.

RSUs under our share-based plans are granted to directors, executives and employees. The estimated fair value of the RSU awards granted under the 2014 Stock Plan is determined based on the market price of the Shares on the date of grant. RSUs generally vest, with some exceptions, at a rate of 25 percent per year over a period of four years from the date of grant.

Effective November 1, 2014, the Company adopted the ESPP. The ESPP allows eligible employees to contribute up to ten percent of their base compensation to purchase Shares at 85 percent of the closing market price at purchase date. Shares authorized for issuance in connection with the ESPP are subject to an automatic annual increase of the lesser of one percent of the outstanding Shares on November 1, or an amount determined by the Compensation Committee of the Board. Under the terms of the ESPP, in no event shall the number of Shares issued under the ESPP exceed 75 million Shares.

Under our ESPP, employees purchased 1,085,382 Shares for \$32 million in 2017, 1,234,111 Shares for \$30 million in 2016 and 493,289 Shares for \$14 million in 2015. As of October 31, 2017, Shares authorized and available for issuance under our ESPP was 22,187,218 Shares, which includes Shares issued in November 2017 to participants in consideration of the aggregate contribution totaling \$17 million as of October 31, 2017.

IX. WORKING CAPITAL STATEMENT

Keysight believes its cash and cash equivalents, cash generated from operations, and credit lines will satisfy, for at least the next twelve months, its liquidity requirements, both globally and domestically, including the following: working capital needs, capital expenditures, business acquisitions, contractual obligations, commitments, principal and interest payments on debt, and other liquidity requirements associated with its operations.

X. SELECTED FINANCIAL INFORMATION

10.1 Selected Financial Data

The selected consolidated financial data of Keysight set out in this prospectus should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Keysight's combined and consolidated financial statements and notes thereto appearing respectively on pages 33 – 51 and 54 – 103 of Keysight's Form 10-K, and its condensed consolidated financial statements and related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing respectively on pages 3 – 22 and 23 – 35 of Keysight's Form 10-Q.

SELECTED THREE-YEAR FINANCIAL DATA (In millions, except per share data)

The consolidated statement of operations and the consolidated balance sheet data of Keysight for the fiscal years ended October 31, 2017, 2016 and 2015, set out in this prospectus have been derived from Keysight's audited consolidated financial statements, included in Keysight's Form 10-K, prepared in accordance with U.S. GAAP.

Combined and Consolidated Statement of Operations Data:

	Years Ended October 31,		
	2017	2016	2015
Net revenue	\$ 3,189	\$ 2,918	\$ 2,856
Income before taxes	\$ 179	\$ 366	\$ 388
Net income	\$ 102	\$ 335	\$ 513
Net income per Share ^(a)			
Basic	\$ 0.57	\$ 1.97	\$ 3.04
Diluted	\$ 0.56	\$ 1.95	\$ 3.00
Weighted average shares used in computing net income per Share ^(a)			
Basic	180	170	169
Diluted	182	172	171

(a) On November 1, 2014, Agilent distributed 167 million Shares to existing holders of Agilent common stock. Basic and diluted net income per Share for all periods through October 31, 2015 is calculated using the Shares distributed on November 1, 2014. Refer to Note 6 of the consolidated financial statements in Keysight's Form 10-K for information regarding earnings per Share.

Combined and Consolidated Balance Sheet Data:

	October 31,		
	2017	2016	2015
Cash and cash equivalents and short-term investments	\$ 818	\$ 783	\$ 483
Working capital	\$ 1,358	\$ 1,210	\$ 893
Total assets	\$ 5,933	\$ 3,796	\$ 3,501
Long-term debt	\$ 2,038	\$ 1,093	\$ 1,092
Stockholders/Invested equity	\$ 2,310	\$ 1,513	\$ 1,302

SELECTED QUARTERLY FINANCIAL DATA
(In millions, except par value and share amounts) (Unaudited)

The condensed consolidated statements of operations of Keysight for the three months and nine months ended July 31, 2018 and 2017 and the condensed consolidated balance sheet data of Keysight as of July 31, 2018 and October 31, 2017, set out in this prospectus have been derived from Keysight's unaudited condensed consolidated financial statements, included in Keysight's Form 10-Q, prepared in accordance with U.S. GAAP.

Condensed Combined and Consolidated Statement of Operations:

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2018	2017	2018	2017
Net revenue:				
Products	\$ 842	\$ 695	\$ 2,356	\$ 1,935
Services and other	162	137	475	376
Total net revenue	1,004	832	2,831	2,311
Costs and expenses:				
Cost of products	359	349	1,063	876
Cost of services and other	80	72	233	207
Total costs	439	421	1,296	1,083
R&D	151	132	453	359
Selling, general and administrative	289	286	877	755
Other operating expense (income), net	(3)	(3)	(18)	(86)
Total costs and expenses	876	836	2,608	2,111
Income (loss) from operations	128	(4)	223	200
Interest income	3	2	8	5
Interest expense	(20)	(22)	(63)	(58)
Other income (expense), net	2	(1)	5	2
Income before taxes	113	(25)	173	149
Provision (benefit) for income taxes	(8)	(7)	(106)	9
Net income (loss)	<u>\$ 121</u>	<u>\$ (18)</u>	<u>\$ 279</u>	<u>\$ 140</u>
Net income (loss) per Share:				
Basic	\$ 0.64	\$ (0.10)	\$ 1.49	\$ 0.78
Diluted	\$ 0.63	\$ (0.10)	\$ 1.46	\$ 0.78
Weighted average shares used in computing net income (loss) per Share:				
Basic	188	186	187	178
Diluted	191	186	191	180

Condensed Consolidated Balance Sheet:

	July 31, 2018	October 31, 2017
Cash and cash equivalents and short-term investments	\$ 742	\$ 818
Total assets	\$ 5,846	\$ 5,933
Long-term debt	\$ 1,790	\$ 2,038
Total liabilities	\$ 3,233	\$ 3,623
Stockholders'/Invested equity	\$ 2,613	\$ 2,310

10.2 Independent Registered Public Accounting Firm

The independent registered public accounting firm of Keysight is PricewaterhouseCoopers LLP, San Jose, California, U.S.A. PricewaterhouseCoopers 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. DOCUMENTS ON DISPLAY

Keysight is subject to the informational requirements of the Exchange Act. Therefore, Keysight files periodic reports, proxy statements and other information with the SEC. The SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file electronically. Employees can access financial and other information at Keysight's Investor Relations website. The address is www.investor.keysight.com. Keysight makes available, free of charge, copies of its annual report on Form 10-K, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC.

Keysight's Form 10-K, Keysight's Form 10-Q and Keysight's Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by an employee.

Keysight expects to issue, after market close on or about November 20, 2018, its earnings release for the quarter and fiscal year ended October 31, 2018. The annual report on Form 10-K for such fiscal year will be filed with the SEC no later than December 31, 2018. These documents will be available on the websites of Keysight and the SEC indicated above.

XII. TAX CONSEQUENCES**12.1 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 and/or residency 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 Keysight 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 the application of tax and other laws in their country to their particular situations.

Enrollment in the ESPP

The Participant will not be subject to tax when he or she enrolls in the ESPP or when he or she is granted a right to purchase Shares at the commencement of a new Purchase Period.

Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference between the fair market value of the Shares and the Purchase Price (the "discount"). 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 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 a dividend is declared on Shares acquired under the ESPP, the Participant will be subject to income tax in Finland on any dividends received. In addition, the Participant will be subject to U.S. federal income tax withheld at source. The Participant may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. The Participant must have a properly completed IRS Form W-8BEN on file in order claim the treaty benefit. The Participant also may be entitled to a tax credit in Finland for the U.S. federal income tax withheld.

Sale of Shares

When the Participant subsequently sells the Shares purchased under the ESPP, the gain 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 (the aggregate of the price paid and the amount of taxable discount) 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 subject capital gains tax on the entire gain realized on the Shares, including any portion of the discount that was exempt from tax at purchase.

Withholding and Reporting

The Participant's employer will withhold and report income tax, social insurance contributions, public broadcasting tax and church tax (if applicable) when the Shares are purchased. The Participant will be responsible for reporting and paying any tax due in connection with the receipt of dividends and the sale of Shares acquired under the ESPP.

12.2 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 and/or residency 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 Keysight 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 the application of tax and other laws in their country to their particular situations.

Enrollment in the ESPP

The Participant will not be subject to tax when he or she enrolls in the ESPP or when he or she is granted a right to purchase Shares at the commencement of a new Purchase Period.

Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference between the fair market value of the Shares and the Purchase Price (the "discount"). Solidarity surcharge and church tax (if applicable) also will be due on the amount of income tax due. Additionally, the Participant will be subject to social insurance contributions on the discount (to the extent that the Participant's income has not already exceeded the applicable contribution ceiling).

The Participant may be eligible for a limited tax exemption if certain conditions are met. The Participant is encouraged to consult his or her personal tax advisor to determine whether the exemption is available to him or her.

Dividends

If a dividend is declared on Shares acquired under the ESPP, the Participant will be subject to tax at a flat rate (plus solidarity surcharge and church tax (if applicable) on the amount of tax due) in Germany on any dividends received. However, the Participant may elect a personal assessment to apply his or her personal income tax rate if the flat rate exceeds the Participant's personal income tax rate.

In addition, the Participant will be subject to U.S. federal income tax withheld at source. The Participant may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. The Participant must have a properly completed IRS Form W-8BEN on file in order claim the treaty benefit. The Participant also may be entitled to a tax credit in Germany for the U.S. federal income tax withheld.

The Participant is responsible for reporting and paying taxes on any dividends paid on Shares the Participant holds, unless the Shares are held with a German bank or financial institution, in which case such institution may withhold the flat rate tax due on the dividends. To determine tax obligations for dividends, the Participant should consult a professional tax advisor.

Sale of Shares

When the Participant subsequently sells the Shares purchased under the ESPP, the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at purchase) will be subject to capital gains tax at a flat rate (plus solidarity surcharge and church tax (if applicable) on the amount of tax due), provided the Participant does not own 1% or more of Keysight's stated capital (and has not owned 1% or more at any time in the last five years) and the Shares are not held as a business asset. However, the Participant may elect a personal assessment to apply his or her personal income tax rate if the flat rate exceeds the Participant's personal income tax rate.

The Participant may be able to deduct a certain amount from his or her total capital gain and other income derived from his or her investments realized in the relevant year.

Withholding and Reporting

The Participant's employer will withhold and report income tax, solidarity surcharge, church tax (if applicable) and social insurance contributions (to the extent that the Participant's income has not already exceeded the applicable contribution ceiling) when the Shares are purchased. The Participant will be responsible for reporting and paying any tax due in connection with the receipt of dividends and the sale of Shares acquired under the ESPP.

12.3 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 and/or residency 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 Keysight 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 the application of tax and other laws in their country to their particular situations.

Enrollment in the ESPP

The Participant will likely not be subject to tax when he or she enrolls in the ESPP or when he or she is granted a right to purchase Shares at the commencement of a new Purchase Period.

Purchase of Shares

When Shares are purchased under the ESPP, the Participant may be subject to income tax on the difference between the fair market value of the Shares and the Purchase Price (the "discount"). Additionally, the Participant will be subject to social insurance contributions on the discount (to the extent that the Participant's income has not already exceeded the applicable contribution ceiling).

The Participant may be eligible for a limited tax credit if certain conditions are met. The Participant is encouraged to consult his or her personal tax advisor to determine whether the exemption is available to him or her.

Dividends

If a dividend is declared on Shares acquired under the ESPP, the Participant will be subject to tax in Romania on any dividends received.

In addition, the Participant will be subject to U.S. federal income tax withheld at source. The Participant may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. The Participant must have a properly completed IRS Form W-8BEN on file in order claim the treaty benefit. The Participant also may be entitled to a tax credit in Romania for the U.S. federal income tax withheld.

To determine tax obligations for dividends, the Participant should consult a professional tax advisor.

Sale of Shares

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

Withholding and Reporting

The Participant's employer may withhold and/or report income tax and social insurance contributions when the Shares are purchased. The Participant will be responsible for reporting and paying any tax due in connection with the receipt of dividends and the sale of Shares acquired under the ESPP.

12.4 Tax Consequences – Spain

The following summary is based on the income and social tax laws in effect in Spain 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 Spanish residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment and/or residency 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 Keysight 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 the application of tax and other laws in their country to their particular situations.

Enrollment in the ESPP

The Participant will not be subject to tax when he or she enrolls in the ESPP or when he or she is granted a right to purchase Shares at the commencement of a new Purchase Period.

Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference between the fair market value of the Shares and the Purchase Price (the "discount"). Additionally, the Participant may be subject to social insurance contributions on the discount (to the extent that the Participant's income has not already exceeded the applicable contribution ceiling).

However, the first €12,000 of income the Participant realizes each calendar year in connection with the purchase of Shares under the ESPP will not be subject to income tax if: (i) the Participant holds the Shares for at least three years before sale; and (ii) the Participant, together with his or her spouse and close relatives, do not collectively hold more than 5% of Keysight's stated capital. This exemption is not available for social insurance contribution purposes, and the entire taxable amount will be subject to applicable social insurance contributions.

In addition, a wealth tax may apply to any Shares acquired under the ESPP, subject to certain exemptions and other applicable thresholds.

Dividends

If a dividend is declared on Shares acquired under the ESPP, the Participant will be subject to tax in Spain, depending on the amount of capital income the Participant realizes during the tax year.

In addition, the Participant will be subject to U.S. federal income tax withheld at source. The Participant may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. The Participant must have a properly completed IRS Form W-8BEN on file in order to claim the treaty benefit. The Participant also may be entitled to a tax credit in Spain for the U.S. federal income tax withheld.

Sale of Shares

When the Participant subsequently sells the Shares purchased under the ESPP, the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at purchase) will be subject to capital gains tax. The tax applicable to the gain at sale will depend upon the amount of capital income the Participant realizes during the tax year, regardless of how long the Participant holds the Shares.

If the Participant's Shares were exempt from tax at purchase, and he or she sells the Shares before the applicable holding period expires, the Participant will be subject to ordinary income tax on the portion of the discount that was exempted from income tax at the time of purchase. The Participant will be required to file a supplementary tax return for the year in which the Shares were purchased and pay income tax (plus legal interest) on such income.

Withholding and Reporting

The Participant's employer will report the taxable amount at purchase. Subject to the €12,000 exemption, the taxable amount at purchase will be considered compensation in-kind subject to payment on account and the Participant's employer will charge the payment on account to the Participant. The Participant is entitled to deduct the payment on account and obtain a tax credit from his or her income tax obligation. The Participant's employer also will withhold social insurance contributions (if applicable) on the entire taxable amount when the Shares are purchased.

It is the Participant's responsibility to report any income realized and pay any difference between the Participant's actual tax liability and the amount withheld from the purchase of Shares under the ESPP, and any tax due resulting from the sale of Shares or receipt of any dividends. The Participant also is responsible for reporting and paying wealth tax (if applicable).

12.5 Tax Consequences – The United Kingdom

The following summary is based on the income and social tax laws in effect in the United Kingdom (the "UK") 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 resident and domiciled in the UK. If the Participant is a citizen or resident of another country for local law purposes or transfers employment and/or residency 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 Keysight 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 the application of tax and other laws in their country to their particular situations.

Enrollment in the ESPP

The Participant will not be subject to tax when he or she enrolls in the ESPP or when he or she is granted a right to purchase Shares at the commencement of a new Purchase Period.

Purchase of Shares

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference between the fair market value of the Shares on the Purchase Date and the Purchase Price (the "discount"). Additionally, the Participant will be subject to employee national insurance contributions ("NICs"), as well as the employer NICs which are being transferred to the Participant pursuant to a joint election form approved by HM Revenue and Customs ("HMRC"), on the discount.

Dividends

If a dividend is declared on Shares acquired under the ESPP, the Participant will be subject to tax in the UK on any dividends received. In addition, the Participant will be subject to U.S. federal income tax withheld at source. The Participant may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. The Participant must have a properly completed IRS Form W-8BEN on file in order to claim the treaty benefit. The Participant also may be entitled to a tax credit in the UK for the U.S. federal income tax withheld.

Sale of Shares

When the Participant subsequently sells the Shares acquired under the ESPP, any gain (*i.e.*, the difference between the sale price and the fair market value of the Shares on the Purchase Date) will be subject to capital gains tax. However, capital gains tax is payable only to the extent that the Participant's gains from all sources exceed the annual personal exemption in any tax year.

The Participant may need to take into account UK share identification rules when calculating his or her capital gains tax liability, particularly if the Participant has acquired Shares from other sources.

Withholding and Reporting

The Participant's employer will calculate the income tax and employee and employer NICs due on the discount when the Shares are purchased and will account for these amounts to HMRC on the Participant's behalf. The Participant's employer will be entitled to collect these amounts from the Participant by any method provided for in the Enrollment Documents. Such methods may include withholding under the Pay As You Earn ("PAYE") system or from other payments due to the Participant from the employer or Keysight or from the sale of Shares.

The Participant's employer also is required to report the details of the grant of rights under the ESPP and the purchase of Shares to HMRC.

The Participant will be required to report any income resulting from the purchase of Shares, the receipt of any dividends and the sale of Shares on his or her annual self-assessment tax return. The Participant also will be responsible for paying any tax resulting from the receipt of dividends and the sale of Shares acquired under the ESPP.

EXHIBIT

EXHIBIT I

**KEYSIGHT TECHNOLOGIES, INC. EMPLOYEE STOCK PURCHASE PLAN
(EFFECTIVE NOVEMBER 1, 2014)**

**KEYSIGHT TECHNOLOGIES, INC.
EMPLOYEE STOCK PURCHASE PLAN**

(Effective November 1, 2014)

1. PURPOSE.

The purpose of this Plan is to provide an opportunity for Employees of Keysight Technologies, Inc. (the “**Corporation**”) and its Designated Companies to purchase Common Stock of the Corporation and thereby have an additional incentive to contribute to the prosperity of the Corporation. This Plan includes two components: a Code Section 423 Component (the “**423 Component**”) and a non-Code Section 423 Component (the “**Non-423 Component**”). It is the intention of the Corporation that the 423 Component qualify as an “employee stock purchase plan” under Section 423 of the Code. The Non-423 Component does not qualify as an “employee stock purchase plan” under Section 423 of the Code and options may be granted thereunder pursuant to rules, procedures or sub-plans adopted by the Board to achieve tax, securities law or other objectives for the Corporation, its Designated Companies and/or eligible Employees. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component. Offerings intended to be made under the Non-423 Component will be designated as such by the Board or the Committee at or prior to the time of such Offering.

2. DEFINITIONS.

(a) “**Affiliate**” shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Corporation or (ii) any entity in which the Corporation has a significant equity interest, in either case as determined by the Board or Committee. An Affiliate that is not also a Subsidiary may be a Designated Company only under the Non-423 Component of the Plan.

(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) “**Committee**” shall mean the committee appointed by the Board in accordance with Section 15 of the Plan.

(e) “**Common Stock**” shall mean the Common Stock of the Corporation, or any stock into which such Common Stock may be converted.

(f) “**Compensation**” shall mean an Employee’s base cash compensation, commissions and shift premiums (or in foreign jurisdictions, equivalent cash compensation, including 13th/14th month payments or similar additional annual wage concepts under local law) paid on account of personal services rendered by the Employee to the Corporation or a Designated Company, which shall be determined prior to deduction of deferrals of base pay under the Keysight Technologies, Inc. 2014 Deferred Compensation Plan, or any successor plan thereto, 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.

(g) “**Contributions**” means the payroll deductions or other approved contributions that the Corporation may permit to be made by a Participant as required by applicable laws or determined by the Committee, in its sole discretion, to fund the exercise of options granted pursuant to the Plan.

(h) “**Corporation**” shall mean Keysight Technologies, Inc., a Delaware corporation.

(i) **“Designated Affiliate”** shall mean an Affiliate that has been designated by the Committee as eligible to participate in the Non-423 Component of the Plan with respect to its Employees.

(j) **“Designated Company”** shall mean any Subsidiary or Affiliate that has been designated by the Committee from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Corporation and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component shall not be a Designated Company under the Non-423 Component.

(k) **“Designated Subsidiary”** shall mean a Subsidiary that has been designated by the Committee as eligible to participate in the Plan with respect to its Employees.

(l) **“Employee”** shall mean an individual classified as an employee (within the meaning of Code Section 3401(c) and the regulations thereunder) by the Corporation or a Designated Company on the Corporation’s or such Designated Company’s payroll records during the relevant participation period. Employees shall not include individuals classified as independent contractors.

(m) **“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.

(n) **“Exchange Act”** means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(o) **“Fair Market Value”** shall be the closing sales price for the Common Stock (or the closing bid, if no sales were reported) as quoted in *The Wall Street Journal* or such other source as the Committee deems reliable, on the date of determination if that date is a Trading Day, or if that day is not a trading day, for the last market Trading Day prior to the date of determination. In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Board or Committee.

(p) **“Offering”** means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. Unless otherwise specified by the Committee, each Offering under the Plan to the Employees of the Corporation or a Designated Subsidiary shall be deemed a separate Offering, even if the dates of the applicable Offering Periods of each such Offering are identical, and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(q) **“Offering Period”** shall mean the period of up to twenty-four (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 the subsequent April and October. The duration and timing of Offering Periods may be changed or modified by the Committee.

(r) **“Participant”** shall mean a participant in the Plan as described in Section 5 of the Plan.

(s) **“Plan”** shall mean this Keysight Technologies, Inc. Employee Stock Purchase Plan, including both the 423 Component and Non-423 Component, as amended from time to time.

(t) **“Purchase Date”** shall mean the last Trading Day of each Purchase Period.

(u) “**Purchase Period**” shall mean the period of six (6) months commencing after one Purchase Date and ending with the next Purchase Date. Purchase Periods may run consecutively after the termination of the preceding Purchase Period. Notwithstanding the foregoing, subject to the Committee’s discretion to modify Offering 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.

(v) “**Purchase Price**” shall mean eighty-five percent (85%) 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 eighty-five percent (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 Section 8.4.

(w) “**Shareholder**” shall mean a record holder of shares entitled to vote shares of Common Stock under the Corporation’s by-laws.

(x) “**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).

(y) “**Trading Day**” shall mean a day on which U.S. national stock exchanges and the New York Stock Exchange are open for trading.

(z) “**U.S. Treasury Regulations**” means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. ELIGIBILITY.

Any Employee regularly employed by the Corporation or by any Designated Company on an Entry Date shall be eligible to participate in any one or more of the Offerings of options to purchase the Corporation’s Common Stock under the Plan with respect to the Purchase 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 Purchase Period beginning on that Entry Date. Notwithstanding the foregoing, an Employee’s eligibility to participate in the Plan shall be subject to the following limitations:

(a) the Committee, in its discretion may, from time to time, prior to an Entry Date for all options to be granted on such Entry Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by U.S. Treasury Regulations Section 1.423-2(e)) that the following categories of Employees are not eligible to participate in the Plan:

(i) Employees who are customarily employed by the Corporation or a Designated Company for 20 hours or less per week or for five months or less in any calendar year (or such lesser period of time as may be determined by the Committee in its discretion);

(ii) Employees who are “highly compensated employees” within the meaning of Code Section 414(q) or Employees or who are officers or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Designated Subsidiary whose Employees are participating in that Offering; or

(iii) Employees who do not meet any other eligibility requirements that the Committee may choose to impose (within the limits permitted by the Code);

(b) eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens within the meaning of Section 7701(b)(1)(A) of the Code) may be excluded from participation in the Plan or an Offering if the participation of such Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code;

(c) an Employee may not be granted an option under the Plan if immediately after such 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;

(d) an Employee may be excluded from participation in an Offering under the Non-423 Component if the Committee determines that participation of such individual is not advisable or practicable for legal or administrative reasons.

All Employees who participate in an Offering shall have the same rights and privileges under the Plan except for differences which may be mandated by local law and which are consistent with U.S. Treasury Regulation Section 1.423-2(f)(4); provided, however, that Employees participating in an Offering under the Non-423 Component need not have the same rights and privileges as other Employees participating in the same Offering under the 423 Component.

4. OFFERING PERIODS.

Effective November 1, 2014, the Plan shall have Offering Periods of approximately six (6) months duration which shall commence on the first Trading Day on or after November 1 and May 1. Each of these Offering Periods shall terminate with a Purchase Date on the last Trading Day, respectively, on or before April 30 and October 31. Notwithstanding the foregoing, the Committee shall retain the authority to implement consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after the date twenty-four (24) months from the first date of the immediately preceding Offering Period, or on such other date as the Committee shall determine, and continuing thereafter for twenty-four (24) months or until terminated pursuant to Section 14 hereof.

The Committee shall have the authority to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings without Shareholder 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. 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 and Plan enrollment form provided by the Corporation or by following an electronic or other enrollment process as prescribed by the Committee. An eligible Employee may authorize payroll deductions at the rate of any whole percentage of the Employee's Compensation, not to exceed ten percent (10%) of the Employee's Compensation. The Committee may, in its sole discretion, approve other methods of contributions for categories of Participants outside the United States, due to local legal requirements, and/or Participants on a leave of absence, as well as any procedures to facilitate the administration of such other methods of contribution. All Contributions may be held by the Corporation and may be used by the Corporation for any corporate purpose, except to the extent required to be segregated due to local legal requirements outside the United States. No interest shall be paid or credited to the Participant with respect to such Contributions, except as otherwise 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 a Purchase Period, by completing and filing a new payroll deduction authorization and Plan enrollment form with the Corporation or by following electronic or other procedures prescribed by the Committee, prior to the fifth business day preceding the Purchase Date. If a Participant withdraws from the Plan during a Purchase Period, his or her accumulated Contributions will be refunded to the Participant without interest, unless required by local law. The Committee may establish rules limiting the timing and 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.

5.3 A Participant may change his or her rate of Contributions at any time by filing a new payroll deduction authorization 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 Purchase Period and future Purchase Periods (including Purchase Periods of subsequent Offering Periods). In order to comply with Section 423(b)(8) of the Code, the Committee may reduce a Participant's Contributions to zero percent (0%) at any time during a Purchase Period. The Committee may, in its sole discretion, limit the nature and/or number of Contributions rate changes that may be made by Participants during any Purchase Period, and may establish such other conditions or limitations as it deems appropriate for Plan administration.

6. TERMINATION OF EMPLOYMENT.

In the event a Participant terminates employment with the Corporation or any Designated Company for any reason (including death) prior to the expiration of a Purchase 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, except to the extent required by local law. Whether a termination of employment has occurred and the date of such termination shall be determined by the Committee, in its sole discretion. 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 Companies, Subsidiaries, Affiliates and the Corporation, and the Committee may establish termination of employment procedures for this Plan which are independent of similar rules established under other benefit plans of the Corporation and its Subsidiaries and Affiliates.

7. TRANSFER OF EMPLOYMENT BETWEEN PLAN COMPONENTS.

If a Participant transfers employment from the Corporation or a Designated Subsidiary participating in the 423 Component of the Plan to a Designated Company participating in the Non-423 Component, and such transfer is not deemed a termination of employment by the Committee, the Participant shall remain in the 423 Component Offering until the next Offering Period, provided he or she continues to be eligible to purchase shares of Common Stock under Code Section 423 requirements and if the Participant is not eligible under the Code Section 423 requirements, he or she shall immediately transfer to the Non-423 Component and may purchase shares of Common Stock under that Offering. If a Participant transfers employment from a Designated Company in the Non-423 Component to the Corporation or any Designated Subsidiary in the 423 Component, and such transfer is not deemed a termination of employment by the Committee, the Participant shall continue to participate in the Non-423 Component until the earlier of (i) the end of the current Offering Period under the Non-423 Component, or (ii) the Offering Date of the first Offering Period in which he or she participates following such transfer. Notwithstanding the foregoing, the Committee may establish different rules to govern transfers of employment between companies participating in the 423 Component and the Non-423 Component, consistent with the applicable requirements of Section 423 of the Code.

8. OFFERING.

8.1 Subject to adjustment as set forth in Section 11, the maximum number of shares of Common Stock which may be issued pursuant to the Plan shall be twenty-five (25) million shares plus an annual increase to be added on the first day of each fiscal year of the Corporation beginning in 2015, equal to one percent (1%) of the outstanding shares of the Corporation on such date or a lesser amount determined by the Committee, provided that the maximum number of shares of Common Stock that may be issued pursuant to the Plan shall be seventy-five (75) million. 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. All or any portion of such maximum number of shares of Common Stock may be issued under the 423 Component.

8.2 Each Purchase Period shall be determined by the Committee. Unless otherwise determined by the Committee, the Plan will operate with successive six (6) month Purchase Periods commencing at the beginning of each fiscal year half (November 1 and May 1). The Committee shall have the power to change the duration of future Purchase Periods, without Shareholder approval, and without regard to the expectations of any Participants.

8.3 Each eligible Employee who has elected to participate as provided in Section 5.1 shall be granted an option to purchase that number of whole and fractional shares of Common Stock (not to exceed 5,000 shares) which may be purchased with the Contributions accumulated on behalf of such Employee during each Purchase Period at the Purchase Price specified in Section 8.4 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 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. The foregoing sentence shall be interpreted so as to comply with Code Section 423(b)(8).

8.4 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 option price shall be the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date. Notwithstanding the foregoing, however, unless the Committee exercises its discretion to change the manner in which the Purchase Price is determined, the Purchase Price shall equal eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on each Purchase Date.

9. 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 and fractional shares of Common Stock which the accumulated Contributions credited to the Participant's account at that time shall purchase at the applicable price specified in Section 8.4. Should a pay day occur on a Purchase Date, a Participant will have any Contributions made on such day applied to his or her account under the current Purchase Period or Offering Period.

Notwithstanding the foregoing, at the time the option is exercised, the Corporation or its designee may make such provisions and take such action as it deems necessary or appropriate for the withholding of income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related

items which the Corporation or a Designated Company is required by law or regulation of any governmental authority to withhold. Each Participant, however, shall be responsible for payment of all individual tax liabilities arising under the Plan.

10. 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. The Committee may permit or require that shares be deposited directly with a broker designated by the Committee or to 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 retained with such broker or agent for a designated period of time and/or may establish other procedures as it deems appropriate to permit tracking of disqualifying dispositions of shares acquired under the 423 Component or for other purposes determined by the Committee. The Corporation shall retain the amount of Contributions used to purchase Common Stock as full 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 Shareholder 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 10.

11. RECAPITALIZATION.

If there is any increase or decrease in the number of outstanding shares of Common Stock or other change affecting the shares of Common Stock or their value because of a stock split, stock dividend, other distribution (whether in the form of cash, shares of Common Stock, other securities or other property) other than a regular cash dividend, combination or other recapitalization of shares subject to options, the Board will, in such manner as it may deem equitable, make such proportional adjustments to (i) the number, class of Common Stock and kind of securities and the Purchase Price per share covered by each option under the Plan that has not yet been exercised, and (ii) the maximum number and class of shares of Common Stock and kind of securities that may be delivered under the Plan and (ii) the numerical limits specified in Section 8, and the Board shall take any further actions which, in the exercise of its discretion, may be necessary or appropriate under the circumstances. The Board's determinations under this Section 11 shall be conclusive and binding on all parties.

12. 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 Contributions will be refunded without interest, except to the extent required by local law, 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, (i) each option shall be assumed or an equivalent option shall be substituted by the successor corporation or parent or subsidiary of such successor corporation, (ii) 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 (iii) all outstanding options shall terminate and the accumulated Contributions will be refunded without interest, unless required by local law, to the Participants.

13. TRANSFERABILITY.

Options granted to Participants may not be voluntarily or involuntarily assigned, transferred, pledged, or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as

provided in Section 23), 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 permitted by Code Section 423(b)(9), such act shall be treated as an election by the Participant to discontinue participation in the Plan pursuant to Section 5.2.

14. AMENDMENT OR TERMINATION OF THE PLAN.

14.1 The Plan shall continue until November 1, 2024 unless otherwise terminated in accordance with Section 14.2.

14.2 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 Shareholders, no such revision or amendment shall increase the number of shares subject to the Plan, other than an adjustment under Section 11 of the Plan. The Board may delegate its powers under this Section 14.2 to the Committee.

15. ADMINISTRATION.

The Board shall appoint a Committee consisting of at least two members of the Board 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 who are not members of the Board the day-to-day administration of the Plan, to the extent permitted under applicable law. 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 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.

16. COMMITTEE RULES FOR FOREIGN JURISDICTIONS.

The Committee may adopt rules, procedures and/or sub-plans relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States. To the extent inconsistent with the requirements of Section 423 of the Code, such rules, procedures and/or sub-plans shall be considered part of the Non-423 Component of the Plan. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 8.1, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding eligibility, the definition of Compensation, handling of Contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures, beneficiary designation requirements, restrictions on shares of Common Stock and handling of stock certificates which vary with local requirements.

17. 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 Securities Act of 1933, 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.

18. GOVERNMENTAL REGULATIONS.

This Plan and the Corporation's obligation to sell and deliver shares of its Common 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.

19. 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 of the Corporation or any Designated Company or to interfere with the right of the Corporation or Designated Company to discharge any Employee at any time.

20. GOVERNING LAW.

This Plan shall be governed by and construed in accordance with the laws of the state of Delaware, United States of America, without regard to that state's choice of law rules. Should any provision of this Plan be determined by a court of competent jurisdiction to be unlawful or unenforceable in any jurisdiction, such determination shall in no way affect the application of that provision in any other jurisdiction, or any of the remaining provisions of the Plan.

21. EFFECTIVE DATE.

This Plan shall become effective on November 1, 2014.

22. REPORTS.

Individual accounts shall be maintained for each Participant in the Plan. Statements of account shall be given to Participants at least annually.

23. DESIGNATION OF BENEFICIARY.

With respect to shares of Common Stock purchased by the Participant pursuant to the Plan and cash, if any, 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 and thereafter change such designation of beneficiary by written notice. Subject to local legal requirements, in the event of a Participant's death, the Corporation or its assignee shall deliver such shares of Common Stock and/or cash to the designated beneficiary.

Subject to 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 and/or cash 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 and/or cash 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.

All beneficiary designations will be in such form and manner as the Committee may designate from time to time. Notwithstanding the other provisions of this Section 23 above, the Corporation and/or the Committee may decide not to permit such designations by Participants in non-U.S. jurisdictions, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

24. CODE SECTION 409A.

The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted so as to be exempt from Code Section 409A. The Non-423 Component of the Plan is intended to be exempt from the application of Section 409A of the Code under the short-term deferral exception and any ambiguities shall be construed and interpreted in accordance with such intent. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Committee determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Committee may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Committee determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A. Notwithstanding the foregoing, the Corporation shall have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan 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 Committee with respect thereto.

25. TAX-QUALIFICATION.

Although the Corporation may endeavor to (i) qualify an option for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States 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, including Section 24. The Corporation shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

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ANNEX I

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

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

Item #	Item contents	Chapter/Exhibit	Page
1.	Persons Responsible		
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)
2.	Statutory Auditors		
2.1.	Names and addresses of the issuer's auditors	Part II - Section B	57 (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
3.	Selected Financial Information		
3.1.	Selected historical financial information	Part II - Section B	55 - 57 (10.1 Selected Financial Data)
3.2.	Interim periods	Part II - Section B	55 - 57 (10.1 Selected Financial Data)
4.	Risk Factors	Part II - Section A	16 - 32 (Risk Factors)
5.	Information about the Issuer		
5.1.	History and Development of the Issuer		
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)
12.	Trend Information		
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	6 - 7 (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	16 - 32 (Risk Factors)
		Part I - Section B	6 - 7 (B.4a Recent Trends)
13.	Profit Forecasts or Estimates	Not applicable	Not applicable
14.	Administrative, Management, Supervisory Bodies and Senior Management		
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	43 - 46 (7.1 Board of Directors as of August 20, 2018) and 53 (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	46 - 47 (7.2 Executive Officers as of August 20, 2018) and 53 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	The nature of any family relationship between any of	Part II - Section B	47 - 48 (7.3 Fraudulent

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	those persons.		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>43 - 46 (7.1 Board of Directors as of August 20, 2018) and</p> <p>46 - 47 (7.2 Executive Officers as of August 20, 2018)</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	47 - 48 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Part II - Section B	48 - 52 (7.4 Conflicts of Interest)
17.	Employees		

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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	53 (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	53 - 55 (8.2 Stock Plans)
20.7.	Dividend policy		
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	36 (Dividend Rights)
20.8.	Legal and arbitration proceedings	Part II - Section B	40 - 42 (5.3 Indirect and Contingent Indebtedness)
20.9.	Significant change in the issuer's financial or trading position since the end of the last financial period	Not applicable	Not applicable
23.	Third Party Information and Statement by Experts and Declarations of Any Interest		
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
24.	Documents on Display	Part II - Section B	57 (XI. 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)

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1.	Persons Responsible		
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)
2.	Risk Factors	Part II - Section A	16 - 32 (Risk Factors)
		Part II - Section B	38 (4.6 Transferability, sentence beginning "Participants assume the risk (...)")
3.	Essential Information		
3.1	Working capital Statement	Part II - Section B	55 (IX. Working Capital Statement)
3.2	Capitalization and indebtedness	Part II - Section B	39 - 42 (V. Statement of Capitalization and Indebtedness as of July 31, 2018)
3.4	Reasons for the offer and use of proceeds	Part II - Section B	32 (1.1 Purpose of the ESPP) and 43 (6.2 Net Proceeds)
		Exhibit I	(Section 1 Purpose)

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4.	Information Concerning the Securities to be Offered/ Admitted to Trading		
4.1	Type and the class of the securities being offered, including the security identification code.	Part II - Section B	35 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
		Exhibit I	(Section 8 Offering)
4.2	Legislation under which the securities have been created.	Part II - Section B	35 (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	35 - 36 (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	36 (4.4 Currency of the Securities Issue)
4.5	Rights attached to the securities	Part II - Section B	36 - 38 (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 1 Purpose)
4.7	Expected issue date of the securities.	Part II - Section B	33 (1.3 Purchase Period)
4.8	Description of any restrictions on the free transferability of the securities.	Part II - Section B	35 (III. Delivery and Sale of the Shares) and 38 (4.6 Transferability)

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		Exhibit I	(Section 13 Transferability)
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section B	38 - 39 (4.7 General Provisions Applying to Business Combinations)
4.11	Information on taxes on the income from the securities withheld at source	Part II - Section B	57 - 63 (XII. Tax Consequences)
5.	TERMS AND CONDITIONS OF THE OFFER		
5.1	Conditions, offer statistics, expected timetable and action required to apply for the offer		
5.1.1	Conditions to which the offer is subject.	Part II - Section B	32 - 35 (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	43 (6.2 Net Proceeds)
		Exhibit I	(Section 8 Offering)
5.1.3	Time period during which the offer will be open and description of the application process.	Part II - Section B	32 - 35 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	(Section 4 Offering Periods) and (Section 5 Participation)
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	33 (1.7 Amendment or Termination of the ESPP)
		Exhibit I	(Section 5

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			Participation), (Section 6 Termination of Employment) and (Section 14 Amendment or Termination of the Plan)
5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	34 (2.4 Discontinuance of Participation of Participants)
5.1.6	Minimum and/or maximum amount of application.	Part II - Section B	32 - 33 (1.2 Shares Offered Under the ESPP) and 34 (2.2 Participation of Eligible Employees)
		Exhibit I	(Section 5 Participation)
5.1.7	Period during which an application may be withdrawn.	Part II - Section B	34 (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	(2.3 Payroll Deductions) and 35 (III. Delivery and Sale of the Shares)
		Exhibit I	(Section 5 Participation) and (Section 9 Purchase of Stock)
5.3	Pricing		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	33 (1.4 Purchase Price)

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Item #	Item contents	Chapter/Exhibit	Page
		Exhibit I	(Section 8 Offering)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	33 (1.4 Purchase Price) and 35 - 36 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
		Exhibit I	(Section 2(v) Definitions) and (Section 9 Purchase of Stock)
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	38 (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 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.	Not applicable	Not applicable
5.4.	Placing and Underwriting		
5.4.2	Name and address of any paying agents and depository agents in each country.	Part II - Section B	35 - 36 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
6.	Admission to Trading and Dealing Arrangements		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	35 (4.1 Type and Class of the Securities being Offered, Including the Security Identification)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			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	35 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
8.	Expense of the Issue/Offer		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	43 (6.2 Net Proceeds)
9.	Dilution		
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Part II - Section B	42 - 43 (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
10.	Additional Information		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
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