**HEWLETT PACKARD ENTERPRISE COMPANY**
3000 Hanover Street
Palo Alto, CA 94304, U.S.A.

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

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

**Pursuant to articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and its General Regulation, in particular articles 211-1 to 216-1 thereof, the *Autorité des marchés financiers* (the "AMF") has attached visa number 17-565 dated October 23, 2017 onto this prospectus. This prospectus was established by the issuer and incurs the responsibility of its signatories. The visa, pursuant to the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, was granted after the AMF has verified that the document is complete and comprehensible, and that the information it contains is consistent. The visa represents neither the approval of the worthiness of the operation nor the authentication of the financial and accounting information presented.**

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

## NOTE TO THE PROSPECTUS

This prospectus contains material information concerning Hewlett Packard Enterprise Company 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 Hewlett Packard Enterprise Company and its affiliates.

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

- Hewlett Packard Enterprise Company 2015 Employee Stock Purchase Plan.

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

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

[1] Questions and Answers, Prospectuses: 26th updated version – December 2016 (20 December 2016| ESMA/2016/1674).

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## COMPANY REPRESENTATIVE FOR PROSPECTUS

**1.1** Timothy C. Stonesifer, Executive Vice President and Chief Financial Officer, acting for and on behalf of Hewlett Packard Enterprise Company.

**1.2** To my knowledge, after having taken all reasonable measures for this purpose, the information contained in this prospectus fairly reflects the current situation and no material omission has been made.

**1.3** Hewlett Packard Enterprise Company has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has, in accordance with the professional standards and interpretations applicable to it in the United States of America pursuant to PCAOB Auditing Standard 2710, *Other Information in Documents Containing Audited Financial Statements*, read the prospectus, including the Financial Information and the Selected Financial Data concerning Hewlett Packard Enterprise Company for the fiscal years ended October 31, 2016, 2015 and 2014 and for the nine months ended July 31, 2017 and 2016 contained in Part I - Element B.7 and Part II Section B.10.1, respectively, of this prospectus.

/s/ Timothy C. Stonesifer
Timothy C. Stonesifer
Executive Vice President and Chief Financial Officer
of Hewlett Packard Enterprise Company
Palo Alto, California, U.S.A,
October 20, 2017

# PART I — PROSPECTUS SUMMARY

**VISA NUMBER 17-565 DATED OCTOBER 23, 2017 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 | | |
|---|---|---|
| **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 the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled 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 | | |
|---|---|---|
| **B.1** | **Legal and commercial name of the issuer** | Hewlett Packard Enterprise Company ("HPE", "Hewlett Packard Enterprise" or the "Company"). |
| **B.2** | **Domicile and legal form of HPE, the legislation under which it operates and its country of incorporation** | HPE's principal offices are located at 3000 Hanover Street, Palo Alto, California 94304, United States of America. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A. |

| | | |
|---|---|---|
| **B.3** | **Description of the nature of HPE's current operations and its principal activities** | HPE is an industry leading technology company that enables customers to go further, faster. With the industry's most comprehensive portfolio, spanning the cloud to the data center to workplace applications, its technology and services help customers around the world make information technology ("IT") more efficient, more productive and more secure. HPE's customers range from small- and medium-sized businesses to large global enterprises.<br><br>***Former Parent Separation Transaction***<br><br>On November 1, 2015, the Company became an independent publicly-traded company through a pro rata distribution by HP Inc. ("former Parent" or "HPI"), formerly known as Hewlett-Packard Company ("HP Co."), of 100% of the outstanding shares of HPE common stock, par value $0.01 per share (the "Shares") to HPI's stockholders (the "Separation"). Each HPI stockholder of record received one Share for each share of HPI common stock held on the record date. Approximately 1.8 billion Shares were distributed on November 1, 2015 to HPI stockholders. In connection with the Separation, the Shares began trading "regular-way" under the ticker symbol "HPE" on the New York Stock Exchange ("NYSE") on November 2, 2015.<br><br>***Enterprise Services Business Separation Transaction***<br><br>On April 1, 2017, HPE completed the separation and merger of its Enterprise Services business with Computer Sciences Corporation ("CSC") (collectively, the "Everett Transaction"). The Everett Transaction was accomplished by a series of transactions among CSC, HPE, Everett SpinCo, Inc. (a wholly-owned subsidiary of HPE) ("Everett"), and New Everett Merger Sub Inc., a wholly-owned subsidiary of Everett ("Everett Merger Sub"). HPE transferred its Enterprise Services business ("former ES segment") to Everett and distributed all of the shares of Everett to HPE stockholders. HPE stockholders received 0.085904 shares of common stock in the new company for every one Share held at the close of business on the record date. Following the distribution, the Everett Merger Sub merged with and into CSC, which will continue as a wholly-owned subsidiary of Everett. At the time of the merger, Everett changed its name to DXC Technology Company ("DXC").<br><br>In connection with the Everett Transaction, Everett borrowed an aggregate principal amount of approximately $3.5 billion which consisted of senior notes in the principal amount of $1.5 billion and a term loan facility in the principal amount of $2.0 billion. The proceeds from these arrangements were used to fund a $3.0 billion cash dividend payment from Everett to HPE and the remaining approximately $0.5 billion was retained by Everett. The obligations under these borrowing arrangements were retained by Everett.<br><br>In connection with the Everett Transaction, HPE and Everett and, in some cases, CSC, entered into several agreements that will govern the relationship between the parties going forward.<br><br>***Software Segment Separation Transaction***<br><br>On September 1, 2017, the Company completed the spin-off and merger of its Software business segment (collectively, the "Seattle Transaction") with Micro Focus International plc ("Micro Focus"). The Seattle Transaction was accomplished by a series of transactions |

| | | |
|---|---|---|
| | | among HPE, Micro Focus, Seattle SpinCo, Inc. (a wholly-owned subsidiary of HPE) ("Seattle"), and Seattle MergerSub, Inc., an indirect, wholly-owned subsidiary of Micro Focus ("Seattle Merger Sub"). HPE transferred its Software business segment to Seattle and distributed all of the shares of Seattle to HPE stockholders. HPE stockholders received 0.13732611 American Depository Shares ("Micro Focus ADSs") in the new company, each of which represents one ordinary share of Micro Focus, for every one Share held at the close of business on the record date. Following the share distribution, the Seattle Merger Sub merged with and into Seattle, which will continue as an indirect, wholly-owned subsidiary of Micro Focus.<br><br>In connection with the Seattle Transaction, during the third quarter of fiscal 2017, Seattle entered into a term loan facility in the principal amount of $2.6 billion. Just prior to the September 1, 2017 spin-off of Seattle, the proceeds from the term loan were used to fund a $2.5 billion dividend payment from Seattle to HPE per the terms of the merger agreement, and to pay expenses associated with the borrowing. The obligation under this borrowing arrangement was retained by Seattle.<br><br>With the completion of the Seattle Transaction, effective September 1, 2017, the Company will no longer consolidate the results of Seattle within its financial results from continuing operations.<br><br>***Segment Information***<br><br>HPE's operations are organized into three segments for financial reporting purposes:<br><br>• the Enterprise Group ("EG") provides servers, storage, networking, and technology services that, when combined with HPE's Cloud solutions, enable customers to manage applications across virtual private cloud, private cloud and traditional IT environments;<br><br>• Financial Services ("FS") provides flexible investment solutions, such as leasing, financing, IT consumption, and utility programs and asset management services, for customers to enable the creation of unique technology deployment models and acquire complete IT solutions, including hardware, software and services from HPE and others; and<br><br>• Corporate Investments includes Hewlett Packard Labs and certain cloud-related business incubation projects.<br><br>***Segment Realignment***<br><br>Effective at the beginning of the first quarter of fiscal 2017, the Company implemented certain segment and business unit realignments in order to align its segment financial reporting more closely with its current business structure. Reclassifications of certain prior year segment and business unit financial information and other financial information have been made to conform to the current year presentation. None of the changes impact the Company's previously reported consolidated net revenue, earnings from operations, net earnings, or net earnings per share.<br><br>Prior to the completion of the Everett Transaction and effective at the beginning of the second quarter of fiscal 2017, the Company realigned |

certain product groups that were historically managed by the former ES segment and included in the former ES segment's results of operations.

As of April 1, 2017, with the completion of the Everett Transaction, the Company reclassified the historical net (loss) earnings from the former ES segment, to net loss from discontinued operations in its condensed consolidated statements of earnings.

***Segment Revenue from Continuing Operations***

| | Enterprise Group | Software (2) | Financial Services | Corporate Investments | Total |
|---|---|---|---|---|---|
| | | | In millions | | |
| **Three months ended July 31, 2017** | | | | | |
| Net revenue | $ 6,606 | $ 708 | $ 895 | $ — | $ 8,209 |
| Intersegment net revenue and other (1) | 185 | 10 | 2 | — | 197 |
| Total segment net revenue | $ 6,791 | $ 718 | $ 897 | $ — | $ 8,406 |
| **Three months ended July 31, 2016** | | | | | |
| Net revenue | $ 6,367 | $ 666 | $ 787 | $ 185 | $ 8,005 |
| Intersegment net revenue and other (1) | 248 | 72 | 25 | — | 345 |
| Total segment net revenue | $ 6,615 | $ 738 | $ 812 | $ 185 | $ 8,350 |
| **Nine months ended July 31, 2017** | | | | | |
| Net revenue | $ 18,647 | $ 1,999 | $ 2,564 | $ — | $ 23,210 |
| Intersegment net revenue and other (1) | 712 | 125 | 28 | — | 865 |
| Total segment net revenue | $ 19,359 | $ 2,124 | $ 2,592 | $ — | $ 24,075 |
| **Nine months ended July 31, 2016** | | | | | |
| Net revenue | $ 20,119 | $ 2,089 | $ 2,305 | $ 533 | $ 25,046 |
| Intersegment net revenue and other (1) | 837 | 203 | 71 | — | 1,111 |
| Total segment net revenue | $ 20,956 | $ 2,292 | $ 2,376 | $ 533 | $ 26,157 |

(1) Intersegment net revenue and other includes adjustments for sales to the former ES segment which, prior to the completion of the Everett Transaction, were reflected as intersegment net revenue. For the nine months ended July 31, 2017 and three and nine months ended July 31, 2016, the amounts include the elimination of pre-separation intercompany sales to the former ES segment, which are included within net loss from discontinued operations in the condensed consolidated statements of earnings.

(2) On September 1, 2017, the Company completed the spin-off and merger of the Software segment with Micro Focus.

No single customer represented 10% or more of HPE's total net revenue in the fiscal years ended October 31, 2016, 2015 and 2014.

| | | |
|---|---|---|
| **B.4a** | **Recent trends** | ***Acquisitions***<br><br>On April 17, 2017, the Company completed the acquisition of Nimble Storage, Inc. ("Nimble Storage"), a provider of predictive all-flash and hybrid-flash storage solutions. Nimble Storage's results of operations are included within the EG segment. The acquisition date fair value consideration of $1.2 billion primarily consisted of cash paid for outstanding common stock, vested in-the-money stock awards, and the estimated fair value of earned unvested stock awards assumed by the Company.<br><br>On February 17, 2017, the Company completed the acquisition of SimpliVity Corporation ("SimpliVity"), a provider of software-defined, hyperconverged infrastructure. SimpliVity's results of operations are included within the EG segment. The acquisition date fair value consideration of $651 million primarily consisted of cash paid for outstanding common stock, debt, and the estimated fair value of earned unvested stock awards assumed by the Company.<br><br>On November 1, 2016, the Company completed the acquisition of Silicon Graphics International Corp. ("SGI"), a provider of high-performance solutions for computer data analytics and data management. SGI's results of operations are included within the EG segment. The acquisition date fair value consideration of $349 million consisted of cash paid for outstanding common stock, debt, and the estimated fair value of earned unvested stock awards assumed by the Company.<br><br>In August 2017, the Company entered into a definitive agreement to acquire Cloud Technology Partners ("CTP"), a cloud consulting, design and advisory services company. The transaction closed in the fourth quarter of fiscal 2017. CTP's results of operations will be included within the EG segment.<br><br>***Trends and Uncertainties***<br><br>HPE is in the process of addressing many challenges facing its business. One set of challenges relates to dynamic and accelerating market trends, such as the market shift to cloud-related IT infrastructure, software and services, and the growth in software-as-a-service ("SaaS") business models. Certain of HPE's legacy hardware businesses face challenges as customers migrate to cloud-based offerings and reduce their purchases of hardware products. Additionally, HPE's legacy software business derives a large portion of its revenues from upfront license sales, some of which, over time, can be expected to shift to SaaS. Another set of challenges relates to changes in the competitive landscape. HPE's major competitors are expanding their product and service offerings with integrated products and solutions, its business-specific competitors are exerting increased competitive pressure in targeted areas and are entering new markets, its emerging competitors are introducing new technologies and business models, and its alliance partners in some businesses are increasingly becoming its competitors in others. A third set of challenges relates to business model changes and HPE's go-to-market execution.<br><br>***Share Repurchase Program***<br><br>On October 13, 2015, the Hewlett Packard Enterprise Board of |

| | | |
|---|---|---|
| | | Directors (the "Board") announced the authorization of a $3.0 billion share repurchase program. On May 24, 2016, the Board announced the authorization of an additional $3.0 billion under the share repurchase program. HPE's share repurchase program authorizes both open market and private repurchase transactions and does not have a specific expiration date. HPE may choose to repurchase Shares when sufficient liquidity exists and the Shares are trading at a discount relative to estimated intrinsic value.<br><br>For the nine months ended July 31, 2017, HPE retired a total of 94 million Shares under its Share repurchase programs through open market repurchases, which were recorded as a $1.9 billion reduction to stockholders' equity. Additionally, for the nine months ended July 31, 2017, HPE had unsettled open market repurchases of 1.6 million Shares, which were recorded as a $29 million reduction to stockholders' equity. As of July 31, 2017, HPE had a remaining authorization of $1.4 billion for future Share repurchases.<br><br>***Notes Offering***<br><br>On September 20, 2017, HPE completed its offering of $1.1 billion aggregate principal amount of 2.100% notes due 2019 (the "Notes"). HPE intends to use the net proceeds from this offering to fund the repayment of the $750 million outstanding principal amount of its 2.450% notes due 2017, the repayment of the $350 million outstanding principal amount of its floating rate notes due 2017, and for general corporate purposes, which may include pursuing various mergers and acquisitions. The Notes are HPE's senior unsecured obligations and rank equally in right of payment with all of HPE's existing and future senior unsecured indebtedness.<br><br>***Other***<br><br>On September 7, 2017, the Company 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, 2017 (the "HPE's Form 10-Q"). |
| **B.5** | **Organizational structure** | HPE is the parent company of the HPE group. HPE holds, directly or indirectly, 100% of the capital and voting rights of each of its significant subsidiaries. As of September 30, 2017, there were 125 principal subsidiaries of the Company. As of July 31, 2017, HPE holds a 49% equity interest in H3C Technologies ("H3C"). |
| **B.6** | **Interests in HPE's capital or voting rights** | 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. |

| B.7 | Financial information concerning HPE for the fiscal years ended October 31, 2016, 2015 and 2014 and for the quarterly periods ended July 31, 2017 and 2016 |
|---|---|

**AUDITED SELECTED THREE-YEAR FINANCIAL DATA**
**(In millions, except per share amounts)**

The consolidated and combined statement of earnings and the consolidated balance sheets data of HPE for the fiscal years ended October 31, 2016, 2015 and 2014, set out in this prospectus have been derived from HPE's audited consolidated and combined financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP").

| | For the fiscal years ended October 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| **Statements of Earnings:** | | | |
| Net revenue | $ 50,123 | $ 52,107 | $ 55,123 |
| Earnings from operations[1] | $ 4,150 | $ 1,523 | $ 2,335 |
| Net earnings[1] | $ 3,161 | $ 2,461 | $ 1,648 |
| Net earnings per Share: | | | |
| Basic | $ 1.84 | $ 1.36 | $ 0.91 |
| Diluted | $ 1.82 | $ 1.34 | $ 0.90 |
| Cash dividends declared per Share | $ 0.22 | $ — | $ — |
| Basic shares outstanding[2] | 1,715 | 1,804 | 1,804 |
| Diluted shares outstanding[2] | 1,739 | 1,834 | 1,834 |
| **Balance Sheets:** | | | |
| At year-end: | | | |
| Total assets[3] [8] | $ 79,679 | $ 79,916 | $ 64,626 |
| Long-term debt[4] [8] | $ 12,608 | $ 15,103 | $ 485 |
| Total debt[4] [8] | $ 16,140 | $ 15,794 | $ 1,379 |

(1) Earnings from operations and net earnings include the following items:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| Amortization of intangible assets | $ 755 | $ 852 | $ 906 |
| Restructuring charges | 1,236 | 954 | 1,471 |
| Acquisition and other related charges | 178 | 89 | 11 |
| Separation costs | 598 | 801 | — |
| Defined benefit plan settlement charges | — | 225 | — |
| Impairment of data center assets | — | 136 | — |
| Gain on H3C and MphasiS divestitures | (2,420) | — | — |
| Tax indemnification adjustments[5] | (317) | — | — |
| Loss from equity interests[6] | 93 | — | — |
| Total charges before taxes | $ 123 | $ 3,057 | $ 2,388 |
| Adjustments for taxes | (594) | (724) | (510) |
| Valuation allowances, net, and separation taxes[7] | — | (1,251) | — |
| Tax settlements[5] | 647 | — | — |
| Total charges, net of taxes | $ 176 | $ 1,082 | $ 1,878 |

(2) For comparative purposes, the number of Shares used to compute basic and diluted net earnings per Share as of October 31, 2015 is also used for the calculation of net earnings per Share for prior periods presented.

(3) Total assets increased in fiscal 2015 due to debt issuances and cash transfers from former Parent resulting from HPE's separation capitalization plan.

(4) In fiscal 2015, Total debt increased due to issuances resulting from HPE's separation capitalization plan.

(5) In fiscal 2016, Tax indemnification adjustments related to the potential settlement of certain pre-Separation Hewlett-Packard Company income tax liabilities, of which $328 million (reported within Tax indemnification adjustments) is indemnified by HPI through the Tax Matters Agreement.

(6) Represents the amortization of the basis difference resulting from the equity method investment in H3C. This amount does not include $32 million of the Company's share of H3C's net income, less $15 million for the elimination of profit on intra-entity sales.

(7) In fiscal 2015, Valuation allowances, net, and separation taxes was due to an income tax benefit of $1.8 billion, resulting from the release of valuation allowances pertaining to certain U.S. deferred tax assets, partially offset by $486 million of tax charges to record valuation allowances on certain foreign deferred tax assets.

(8) Please see footnote 1 to the Selected Quarterly Financial Data tables below regarding the reclassification of certain amounts.

## UNAUDITED PRO FORMA FINANCIAL DATA
## (In millions, except per share amounts)

The following unaudited pro forma financial information reflect the completion of the Everett Transaction and the Seattle Transaction (please refer to Element B.3 above).

Beginning in the second quarter of fiscal 2017, following the completion of the Everett Transaction, all results and balances associated with Everett are reflected in HPE's consolidated financial statements as discontinued operations. Beginning in the fourth quarter of fiscal 2017, following the completion of the Seattle Transaction, all results and balances associated with Seattle are reflected in HPE's consolidated financial statements as discontinued operations.

The unaudited pro forma condensed consolidated and combined financial statements are presented based on information available at the time and are intended for information purposes and are not intended to represent what HPE's financial position and results of operations actually would have been had the Everett Transaction and the Seattle Transaction occurred on the date indicated. In addition, the unaudited pro forma condensed consolidated and combined financial statements are not necessarily indicative of HPE’s financial position and results of operations for any future period.

***Everett Transaction***

The following unaudited pro forma consolidated financial statements for the fiscal years ended October 31, 2016 and 2015 and unaudited pro forma combined financial statement for the fiscal year ended October 31, 2014 reflect HPE's results of operations as if the Everett Transaction occurred on November 1, 2013 (the first day of HPE's fiscal 2014).

| | Pro Forma HPE | | |
|---|---|---|---|
| | For the fiscal years ended October 31, | | |
| | 2016 | 2015 | 2014 |
| **Statements of Earnings:** | | | |
| Net revenue | $ 33,192 | $ 34,383 | $ 35,126 |
| Earnings from operations | $ 4,278 | $ 2,432 | $ 3,380 |
| Net earnings from continuing operations | $ 3,438 | $ 3,182 | $ 2,704 |
| Net earnings per Share from continuing operations: | | | |
| Basic | $ 2.00 | $ 1.76 | $ 1.50 |
| Diluted | $ 1.98 | $ 1.74 | $ 1.47 |
| Cash dividends declared per Share | $ 0.22 | $ — | $ — |
| Basic shares outstanding | 1,715 | 1,804 | 1,804 |
| Diluted shares outstanding | 1,739 | 1,834 | 1,834 |

The following unaudited pro forma condensed consolidated balance sheet of HPE as of January 31,

2017 assumes the Everett Transaction occurred on January 31, 2017.

| | As of January 31, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Everett | | |
| **Balance Sheet:** | | | | |
| Cash and cash equivalents | $ 9,858 | $ — | $ 3,008 | $ 12,866 |
| Total assets | 76,662 | (10,539) | 3,407 | 69,530 |
| Long-term debt | 12,270 | (388) | — | 11,882 |
| Total debt | 15,790 | (391) | — | 15,399 |
| Total HPE stockholders' equity | 31,501 | (4,144) | 3,407 | 30,764 |

***Seattle Transaction***

The historical column in the unaudited pro forma condensed consolidated and combined financial statements reflects HPE's historical financial statements for the periods presented, adjusted for the Everett Transaction.

The following unaudited pro forma condensed consolidated financial statements of HPE for the six months ended April 30, 2017 reflect HPE's results of operations as if the Seattle Transaction occurred on November 1, 2013 (the first day of HPE's fiscal 2014).

| | Six months ended April 30, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Seattle | | |
| **Statements of Earnings:** | | | | |
| Net revenue | 15,001 | (1,406) | 115 | 13,710 |
| Earnings from operations | 638 | 49 | (39) | 648 |
| Net loss from continuing operations | $ (232) | $ 38 | $ (33) | $ (227) |
| Net loss per Share from continuing operations: | | | | |
| Basic | $ (0.14) | | | $ (0.14) |
| Diluted | $ (0.14) | | | $ (0.14) |
| Weighted-average Shares used to compute net earnings per Share from continuing operations: | | | | |
| Basic | 1,664 | $ | | 1,664 |
| Diluted | 1,664 | | | 1,664 |

The following unaudited pro forma condensed consolidated balance sheet of HPE as of April 30, 2017 assumes the Seattle Transaction occurred on April 30, 2017.

| | As of April 30, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Seattle | | |
| **Balance Sheet:** | | | | |
| Cash and cash equivalents | $ 8,101 | $ (167) | $ 2,500 | $ 10,434 |

| | | | | |
|---|---|---|---|---|
| Total assets | 67,470 | (10,422) | 2,460 | 59,508 |
| Long-term debt | 11,904 | — | — | 11,904 |
| Total debt | 13,914 | (1) | — | 13,913 |
| Total HPE stockholders' equity | 29,011 | (8,562) | 2,519 | 22,968 |

**UNAUDITED SELECTED QUARTERLY FINANCIAL DATA**
**(In millions, except per share amounts)**

The condensed consolidated statements of earnings of HPE for the quarterly periods ended July 31, 2017 and 2016 and the condensed consolidated balance sheets data of HPE as of July 31, 2017 and October 31, 2016, set out in this prospectus have been derived from HPE's unaudited condensed consolidated financial statements prepared in accordance with U.S. GAAP.

| | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Statements of Earnings:** | | | | |
| Net revenue | $ 8,209 | $ 8,005 | $ 23,210 | $ 25,046 |
| Earnings from continuing operations | 147 | 2,645 | 785 | 3,568 |
| Net earnings from continuing operations | 248 | 2,457 | 16 | 3,141 |
| Net loss from discontinued operations | (83) | (185) | (196) | (282 ) |
| Net earnings (loss) | 165 | 2,272 | (180) | 2,859 |
| Net earnings (loss) per Share: | | | | |
| Basic | | | | |
| Continuing operations | $ 0.15 | $ 1.46 | $ 0.01 | $ 1.82 |
| Discontinued operations | (0.05) | (0.11) | (0.12) | (0.16) |
| Total basic net earnings (loss) per Share | $ 0.10 | $ 1.35 | $ (0.11) | $ 1.66 |
| Diluted | | | | |
| Continuing operations | $ 0.15 | $ 1.43 | $ 0.01 | $ 1.80 |
| Discontinued operations | (0.05) | (0.11) | (0.12) | (0.16) |
| Total diluted net earnings (loss) per Share | $ 0.10 | $ 1.32 | $ (0.11) | $ 1.64 |
| Cash dividends declared per Share | $ 0.065 | $ 0.055 | $ 0.260 | $ 0.220 |
| Weighted-average shares used to compute net earnings per Share | | | | |
| Basic | 1,641 | 1,681 | 1,656 | 1,722 |
| Diluted | 1,667 | 1,715 | 1,683 | 1,748 |

| | July 31, 2017 | October 31, 2016 |
|---|---|---|
| **Balance Sheets:** | | |
| Cash and cash equivalents | $ 7,757 | $ 12,987 |
| Total assets | 70,931 | 79,629 (1) |
| Long-term debt | 14,527 | 12,168 (1) |
| Total debt | 16,596 | 15,695 (1) |
| Total HPE stockholders' equity | 29,050 | 31,518 |

(1) During the first quarter of fiscal 2017, the Company adopted ASU 2015-03, which simplifies the presentation of debt issuance costs by requiring debt issuance costs to be presented as a deduction from the corresponding debt liability rather than an asset that is amortized. The Company adopted the standard retrospectively for the prior period presented.

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| **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. |
| **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 2016, 2015 or 2014. |
| **B.11** | **Working capital statement** | Not applicable. HPE'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** | 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.<br><br>The Shares are, or will be, listed on the NYSE under the symbol "HPE". The CUSIP number for the Shares is 42824C 109. |
| **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, 2017, the Company was authorized to issue 9,600,000,000 Shares, and 300,000,000 shares of preferred stock, par value $0.01 per share, all of which shares of preferred stock are undesignated. As of August 31, 2017, there were 1,619,464,166 Shares outstanding, and there were no shares of preferred stock issued and outstanding. |
| **C4.** | **Rights attached to the securities** | Eligible employees who enroll and participate in the ESPP are referred to as the "Participants."<br><br>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:<br><br>***Dividend Rights***. Subject to any preferential rights of any outstanding preferred stock, holders of the Shares are entitled to receive ratably the dividends, if any, as may be declared from time to time by the Board out of funds legally available for that purpose.<br><br>***Voting Rights***. Each holder of the Shares is entitled to one vote for |

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| | | each Share on all matters to be voted upon by the common stockholders, and there are no cumulative voting rights.<br><br>***Right to Receive Liquidation Distributions***. Upon a liquidation, dissolution or winding up of HPE, holders of the Shares are entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.<br><br>***No Preemptive, Redemptive or Conversion Provisions***. The Company's Shares have no preemptive rights, conversion rights, or other subscription rights or redemption or sinking fund provisions. The rights, preferences and privileges of the holders of the Shares are subject to, and may be adversely affected by, the rights of the holders of Shares of any series of preferred stock that the Company may designate and issue in the future. |
| **C.5** | **Transferability restrictions** | Not applicable. The Shares offered under the ESPP are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable. |
| **C.6** | **Admission to trading on a regulated market** | As noted in Element C.1 above, the Shares will be listed on the NYSE. |
| **C.7** | **Dividend policy** | On November 11, 2015, the Board authorized a regular quarterly cash dividend for its Shares. The stockholders of the Shares are entitled to receive dividends when and as declared by the Board. Dividends declared were $0.22 per Share in fiscal 2016. Additional information is provided in the financial tables included in Element B.7 above.<br><br>The payment of any dividends in the future, and the timing and amount thereof, is within the discretion of the Board. The Board's decisions regarding the payment of dividends will depend on many factors, such as HPE's financial condition, earnings, capital requirements, debt service obligations, restrictive covenants in its debt, industry practice, legal requirements, regulatory constraints, and other factors that the Board deems relevant. HPE's ability to pay dividends will depend on its ongoing ability to generate cash from operations and on its access to the capital markets. HPE cannot guarantee that it will continue to pay a dividend in any future period. |

| **SECTION D — RISKS** | | |
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| **D.1** | **Key risks related to HPE or its industry** | Set forth below are summaries of the key risks, uncertainties and other factors that may affect HPE's future results. The risks and uncertainties described below are not the only ones facing HPE.<br><br>***Risks Related to HPE's Business***<br><br>• If HPE is unsuccessful at addressing its business challenges, its business and results of operations may be adversely affected and |

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| | | its ability to invest in and grow its business could be limited.<br>• HPE operates in an intensely competitive industry and competitive pressures could harm its business and financial performance.<br>• If HPE cannot successfully execute its go-to-market strategy and continue to develop, manufacture and market innovative products, services and solutions, its business and financial performance may suffer.<br>• Recent global, regional and local economic weakness and uncertainty could adversely affect HPE's business and financial performance.<br>• Due to the international nature of its business, political or economic changes or other factors could harm HPE's business and financial performance.<br>• HPE is exposed to fluctuations in foreign currency exchange rates.<br>• Any failure by HPE to identify, manage and complete acquisitions, divestitures and other significant transactions successfully could harm its financial results, business and prospects.<br>• HPE's debt obligations may adversely affect its business and its ability to meet its obligations and pay dividends.<br>***Risks Related to the Separations of HPE's Former ES Segment and HPE's Former Software Segment***<br>• The stock distribution in either or both of the completed separations of its former ES segment and its former Software segment could result in significant tax liability, and DXC or Micro Focus (as applicable) may in certain cases be obligated to indemnify HPE for any such tax liability imposed on HPE.<br>***Risks Related to the Separation from HPI***<br>• If the distribution, together with certain related transactions, does not qualify as a transaction that is generally tax-free for U.S. federal income tax purposes, HPE and those who received Shares in the distribution could be subject to significant tax liabilities, and, in certain circumstances, HPE could be required to indemnify HPI for material taxes and other related amounts pursuant to indemnification obligations under the tax matters agreement.<br>• HPE may not be able to engage in desirable strategic or capital-raising transactions following the Separation.<br>• HPE has limited history of operating as an independent company and it expects to incur increased administrative and other costs following the Separation by virtue of its status as an independent public company. HPE's historical financial information is not necessarily representative of the results that it would have achieved as a separate, publicly traded company and may not be a reliable indicator of its future results. |

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| **D.3** | **Key risks related to the shares** | • System security risks, data protection breaches, cyberattacks and systems integration issues could disrupt HPE's internal operations or IT services provided to customers, and any such disruption could reduce HPE's revenue, increase its expenses, damage its reputation and adversely affect its stock price.<br>• Terrorist acts, conflicts, wars and geopolitical uncertainties may seriously harm HPE's business and revenue, costs and expenses and financial condition and stock price.<br>• HPE's stock price has fluctuated and may continue to fluctuate, which may make future prices of its stock difficult to predict.<br>• Certain provisions in HPE's amended and restated certificate of incorporation and amended and restated bylaws, and of Delaware law, may prevent or delay an acquisition of HPE, which could decrease the trading price of the Shares.<br>• 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** | Assuming that each of the 14,475 eligible employees[2] in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of 1,670 Shares each, for a maximum of $23,747 in contributions per person, at $14.22 (95% of a hypothetical Share price of $14.97 which was the closing price of the Shares on October 2, 2017), and assuming that the Shares offered under the ESPP would all be newly issued, then the gross proceeds of HPE in connection with the offer under the ESPP pursuant to this prospectus would be $343,743,615. After deducting approximately $200,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately $343,543,615. |
| **E.2a** | **Reasons for the offer and use of proceeds** | The purpose of the ESPP is to provide an opportunity for employees of HPE and its designated affiliates to purchase Shares and thereby have an additional incentive to contribute to the prosperity of HPE.<br><br>The net proceeds will be used for general corporate purposes. |

[2] As of September 14, 2017, there were 318 eligible employees in Austria, 325 eligible employees in Belgium, 961 eligible employees in Bulgaria, 548 eligible employees in the Czech Republic, 184 eligible employees in Denmark, 168 eligible employees in Finland, 1,673 eligible employees in France, 2,843 eligible employees in Germany, 614 eligible employees in Ireland, 984 eligible employees in Italy, 577 eligible employees in the Netherlands, 1,206 eligible employees in Poland, 1,072 eligible employees in Romania, 198 eligible employees in Slovakia, 349 eligible employees in Sweden and 2,455 eligible employees in the United Kingdom.

| | | |
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| **E.3** | **Description of the terms and conditions of the offer** | HPE will offer eligible employees of the Company and certain of its subsidiaries residing in the EEA the right to purchase Shares under the ESPP.<br><br>The offering of the ESPP may be considered a public offering of securities pursuant to the Prospectus Directive in the following EEA countries, subject to the applicable legislation in each country: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom. The offering of the ESPP also may be made in the following EEA countries: Greece, Hungary, Lithuania, Luxembourg, Norway, Portugal and Spain. However, such offering is not considered a public offering of securities and/or the obligation to publish a prospectus does not apply to the offering under the legislation implementing the Prospectus Directive in such countries. The total amount of the offering of the ESPP in the EEA is more than EUR 5 million in consideration over a 12-month period.<br><br>This prospectus will be made available in printed form to employees of the subsidiaries of HPE based in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom, where the offering of the ESPP may be considered a public offering of securities, at the respective head offices of their employers.<br><br>The ESPP was established to provide eligible employees of HPE and certain of its subsidiaries and affiliates (each, a "Designated Company"), some of which are located in the EEA, with the opportunity to purchase Shares at a discount. The ESPP is administered by a committee of the Board (the "Committee") consisting of at least two members of the Board.<br><br>To participate in the ESPP, the employee must be regularly employed by HPE or a Designated Company on the first trading day of an Offering Period (as defined below) (or, for a new Participant, the first trading day of a Purchase Period (as defined below)) (the "Entry Date"). No Participant may be granted a right to purchase Shares under the ESPP at a rate which exceeds twenty-five thousand dollars ($25,000) of the fair market value of such Shares (determined at the time such right is granted) for each calendar year in which such right is outstanding at any time. Certain other limitations may apply.<br><br>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. In order to participate in the Purchase Period that begins on May 1, 2018, eligible employees must enroll by no later than April 30, 2018.<br><br>Eligible employees may enroll in the ESPP and thereby become |

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| | | "Participants" by completing the electronic or other enrollment procedure established by the Company and completing and submitting any additional documentation (collectively, the "Enrollment Documents") that may be required by the Company.<br><br>Participants authorize payroll deductions or other approved contributions permitted by the Company ("Contributions") (between 1% and 10%) of their compensation, which funds are used to exercise the Participant's right to purchase on the Purchase Date the number of whole Shares which the accumulated Contributions credited to the Participant's account will purchase. On any relevant Purchase Date, the purchase price per Share ("Purchase Price") is 95% of the fair market value of a Share on such Purchase Date.<br><br>As of September 30, 2017, 74,978,986 Shares remained available for issuance under the ESPP (out of a maximum of 80 million Shares that had been reserved for issuance under the ESPP). |
| **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** | Hewlett Packard Enterprise Company. |
| **E.6** | **Maximum dilution** | Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 14,475 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom would all be newly issued, the holdings of a shareholder of HPE holding 1% of the total outstanding share capital of HPE as of August 31, 2017, that is 16,194,641 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table: |

| | **Percentage of the total outstanding Shares** | **Total number of outstanding Shares** |
|---|---|---|
| Before the issuance of Shares under the ESPP (as of August 31, 2017) | 1.00% | 1,619,464,166 |
| After issuance of 24,173,250 Shares under the ESPP | 0.99% | 1,643,637,416 |

| | | |
|---|---|---|
| **E.7** | **Estimated expenses charged to the investor** | Not applicable. There are no such expenses. |

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

# PART II — PROSPECTUS

## SECTION A — RISK FACTORS

*You should carefully consider the following risks and other information in HPE's Annual Report on Form 10-K for the fiscal year ended October 31, 2016 filed with the SEC on December 15, 2016 (the "HPE's Form 10-K") and the HPE's Form 10-Q in evaluating HPE and its Shares. Any of the following risks could materially and adversely affect our results of operations or financial condition. The following risk factors should be read in conjunction with Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the Consolidated and Combined Financial Statements and related notes in Part II, Item 8, "Financial Statements and Supplemental Data" of HPE's Form 10-K.*

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

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

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

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

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

We encounter aggressive competition from numerous and varied competitors in all areas of our business, and our competitors have targeted and are expected to continue targeting our key market segments. We compete primarily on the basis of our technology, innovation, performance, price, quality, reliability, brand, reputation, distribution, range of products and services, ease of use of our products, account relationships, customer training, service and support, security, and the availability of our application software and IT infrastructure offerings. If our products, services, support and cost structure do not enable us to compete successfully based on any of those criteria, our results of operations and business prospects could be harmed.

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

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

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

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

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

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

Our long-term strategy is focused on leveraging our existing portfolio of hardware, software and services as we adapt to a new hybrid model of IT delivery and consumption driven by the growing adoption of cloud computing and increased demand for integrated IT solutions. To successfully execute this strategy, we must continue to pivot toward the delivery of integrated IT solutions and continue to invest and expand in cloud computing, enterprise security, big data, applications and mobility. Any failure to successfully execute this strategy, including any failure to invest sufficiently in strategic growth areas, could adversely affect our business, results of operations and financial condition.

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

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

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

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

In the course of conducting our business, we must adequately address quality issues associated with our products, services and solutions, including defects in our engineering, design and manufacturing processes and unsatisfactory performance under service contracts, as well as defects in third-party components included in our products and unsatisfactory performance or even malicious acts by third-party contractors or subcontractors or their employees. In order to address quality issues, we work extensively with our customers and suppliers and engage in product testing to determine the causes of problems and to develop and implement appropriate solutions. However, the products, services and solutions that we offer are complex, and our regular testing and quality control efforts may not be effective in controlling or detecting all quality issues or errors, particularly with respect to faulty components

manufactured by third parties. If we are unable to determine the cause, find an appropriate solution or offer a temporary fix (or "patch") to address quality issues with our products, we may delay shipment to customers, which could delay revenue recognition and receipt of customer payments and could adversely affect our revenue, cash flows and profitability. In addition, after products are delivered, quality issues may require us to repair or replace such products. Addressing quality issues can be expensive and may result in additional warranty, repair, replacement and other costs, adversely affecting our financial performance. If new or existing customers have difficulty operating our products or are dissatisfied with our services or solutions, our results of operations could be adversely affected, and we could face possible claims if we fail to meet our customers' expectations. In addition, quality issues can impair our relationships with new or existing customers and adversely affect our brand and reputation, which could, in turn, adversely affect our results of operations.

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

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

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

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

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

Our business and financial performance depend significantly on worldwide economic conditions and the demand for technology hardware, software and services in the markets in which we compete. Recent economic weakness and uncertainty in various markets throughout the world have resulted, and may result in the future, in decreased revenue, gross margin, earnings or growth rates and in increased expenses and difficulty in managing inventory levels. For example, we are continuing to experience

macroeconomic weakness across many geographic regions, particularly in the Europe, the Middle East and Africa region, China and certain other high-growth markets. Ongoing U.S. federal government spending limits may continue to reduce demand for our products, services and solutions from organizations that receive funding from the U.S. government, and could negatively affect macroeconomic conditions in the United States, which could further reduce demand for our products, services and solutions. Economic weakness and uncertainty may adversely affect demand for our products, services and solutions, may result in increased expenses due to higher allowances for doubtful accounts and potential goodwill and asset impairment charges, and may make it more difficult for us to make accurate forecasts of revenue, gross margin, cash flows and expenses.

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

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

Sales outside the United States constituted approximately 65% of our net revenue in fiscal 2016. Our future business and financial performance could suffer due to a variety of international factors, including:

- ongoing instability or changes in a country's or region's economic or political conditions, including inflation, recession, interest rate fluctuations and actual or anticipated military or political conflicts, including uncertainties and instability in economic and market conditions caused by the United Kingdom’s vote to exit the European Union;

- longer collection cycles and financial instability among customers;

- trade regulations and procedures and actions affecting production, pricing and marketing of products, including policies adopted by countries that may champion or otherwise favor domestic companies and technologies over foreign competitors, or federal or state tax reforms;

- local labor conditions and regulations, including local labor issues faced by specific suppliers and original equipment manufacturers ("OEMs"), or changes to immigration and labor law policies which may adversely impact our access to technical and professional talent;

- managing our geographically dispersed workforce;

- changes in the international, national or local regulatory and legal environments;

- differing technology standards or customer requirements;

- import, export or other business licensing requirements or requirements relating to making foreign direct investments, which could increase our cost of doing business in certain jurisdictions, prevent us from shipping products to particular countries or markets, affect our ability to obtain favorable terms for components, increase our operating costs or lead to penalties or restrictions;

- difficulties associated with repatriating earnings generated or held abroad in a tax-efficient manner, and changes in tax laws; and

- fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important geographic points of exit and entry for our products and shipments.

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

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

As previously noted, tax reform could have a material effect on the taxation of our international business. U.S. tax reform has been identified as a priority for U.S. politicians, and key members of the legislative and executive branches have proposed a wide variety of potential changes. Certain changes to U.S. tax laws, specifically U.S. taxation on earnings from international business operations, may materially impact our worldwide effective tax rate and the amount of taxes we pay.

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

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

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

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

Our revenue, gross margin and profit vary among our diverse products and services, customer groups and geographic markets and therefore will likely be different in future periods than our historical results as a consolidated subsidiary of HP Co. Our revenue depends on the overall demand for our products and services. Delays or reductions in IT spending by our customers or potential customers could have a material adverse effect on demand for our products and services, which could result in a significant

decline in revenue. In addition, revenue declines in some of our businesses, particularly our services businesses, may affect revenue in our other businesses as we may lose cross-selling opportunities. Overall gross margins and profitability in any given period are dependent partially on the product, service, customer and geographic mix reflected in that period's net revenue. Competition, lawsuits, investigations, increases in component and manufacturing costs that we are unable to pass on to our customers, component supply disruptions and other risks affecting those businesses therefore may have a significant impact on our overall gross margin and profitability. Certain segments have a higher fixed cost structure and more variation in gross margins across their business units and product portfolios than others and may therefore experience significant operating profit volatility on a quarterly or annual basis. In addition, newer geographic markets may be relatively less profitable due to our investments associated with entering those markets and local pricing pressures, and we may have difficulty establishing and maintaining the operating infrastructure necessary to support the high growth rate associated with some of those markets. Market trends, industry shifts, competitive pressures, commoditization of products, increased component or shipping costs, regulatory impacts and other factors may result in reductions in revenue or pressure on gross margins of certain segments in a given period, which may lead to adjustments to our operations. Moreover, our efforts to address the challenges facing our business could increase the level of variability in our financial results because the rate at which we are able to realize the benefits from those efforts may vary from period to period. See also the risk factor below entitled "We have limited history of operating as an independent company and we expect to incur increased administrative and other costs following the Separation by virtue of our status as an independent public company. Our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results."

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

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

- *Component shortages.* We may experience a shortage of, or a delay in receiving, certain components as a result of strong demand, capacity constraints, supplier financial weaknesses, the inability of suppliers to borrow funds in the credit markets, disputes with suppliers (some of whom are also our customers), disruptions in the operations of component suppliers, other problems experienced by suppliers or problems faced during the transition to new suppliers. If shortages or delays persist, the price of certain components may increase, we may be exposed to quality issues, or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to build products or provide services in a timely manner in the quantities needed or according to our specifications. Accordingly, our business and financial performance could suffer if we lose time-sensitive sales, incur additional freight costs or are unable to pass on price increases to our customers. If we cannot adequately address supply issues, we might have to reengineer some product or service offerings, which could result in further costs and delays.

- *Excess supply.* In order to secure components for our products or services, at times we may make advance payments to suppliers or enter into non-cancelable commitments with vendors. In addition, we may purchase components strategically in advance of demand to take advantage of favorable pricing or to address concerns about the availability of future components. If we fail to anticipate customer demand properly, a temporary oversupply could result in excess or obsolete components, which could adversely affect our business and financial performance.

- *Contractual terms.* As a result of binding long-term price or purchase commitments with vendors, we may be obligated to purchase components or services at prices that are higher than those available in the current market and be limited in our ability to respond to changing market conditions. If we commit to purchasing components or services for prices in excess of the then-current market price, we may be at a disadvantage to competitors who have access to components or services at lower prices, our gross margin could suffer, and we could incur additional charges relating to inventory obsolescence. Any of these developments could adversely affect our future results of operations and financial condition.

- *Contingent workers.* We also rely on third-party suppliers for the provision of contingent workers, and our failure to manage our use of such workers effectively could adversely affect our results of operations. We have been exposed to various legal claims relating to the status of contingent workers in the past and could face similar claims in the future. We may be subject to shortages, oversupply or fixed contractual terms relating to contingent workers. Our ability to manage the size of, and costs associated with, the contingent workforce may be subject to additional constraints imposed by local laws.

- *Single-source suppliers.* We obtain a significant number of components from single sources due to technology, availability, price, quality or other considerations. New products that we introduce may utilize custom components obtained from only one source initially until we have evaluated whether there is a need for additional suppliers. Replacing a single-source supplier could delay production of some products as replacement suppliers may be subject to capacity constraints or other output limitations. For some components, such as customized components, alternative sources either may not exist or may be unable to produce the quantities of those components necessary to satisfy our production requirements. In addition, we sometimes purchase components from single-source suppliers under short-term agreements that contain favorable pricing and other terms but that may be unilaterally modified or terminated by the supplier with limited notice and with little or no penalty. The performance of such single-source suppliers under those agreements (and the renewal or extension of those agreements upon similar terms) may affect the quality, quantity and price of our components. The loss of a single-source supplier, the deterioration of our relationship with a single-source supplier or any unilateral modification to the contractual terms under which we are supplied components by a single-source supplier could adversely affect our business and financial performance.

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

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, power or water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics or pandemics and other natural or manmade disasters or catastrophic events, for which we are predominantly self-insured. The occurrence of any of these business disruptions could result in significant losses, seriously harm our revenue, profitability and financial condition, adversely affect our competitive position, increase our costs and expenses, and require substantial expenditures and recovery time in order to fully resume operations. Our corporate headquarters and a portion of our research and development activities are located in California, and other critical business operations and some of our suppliers are located in California and Asia, near major earthquake faults known for seismic activity. In addition, our principal worldwide IT data centers are located in the southern United States, making our operations more vulnerable to natural disasters or other business disruptions occurring in that

geographical area. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including the Czech Republic, Mexico, China and Singapore. We also rely on major logistics hubs, primarily in Asia to manufacture and distribute our products, and primarily in the southwestern United States to import products into the Americas region. Our operations could be adversely affected if manufacturing, logistics or other operations in these locations are disrupted for any reason, including natural disasters, IT system failures, military actions or economic, business, labor, environmental, public health, regulatory or political issues. The ultimate impact on us, our significant suppliers and our general infrastructure of being located near locations more vulnerable to the occurrence of the aforementioned business disruptions, such as near major earthquake faults, and being consolidated in certain geographical areas is unknown and remains uncertain.

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

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

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

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

As part of our business strategy, we may acquire companies or businesses, divest businesses or assets, enter into strategic alliances and joint ventures and make investments to further our business (collectively, "business combination and investment transactions"). For example, in May 2015, we acquired Aruba Networks, Inc., which provides next-generation network access solutions for mobile enterprise. In May 2016, we completed the sale to Tsinghua Holdings Co., Ltd. ("Tsinghua"), the asset management arm of Tsinghua University in China, of a 51% interest in our wholly owned subsidiary that owns and operates H3C and our China-based server, storage and technology services businesses for approximately $2.6 billion. See also the risk factors below under the heading "Risks Related to the Separations of our Former Enterprise Services Business and our Former Software Segment."

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

- Managing business combination and investment transactions requires varying levels of management resources, which may divert our attention from other business operations.

- We may not fully realize all of the anticipated benefits of any particular business combination and investment transaction, and the timeframe for realizing the benefits of a particular business combination and investment transaction may depend partially upon the actions of employees, advisors, suppliers, other third parties or market trends.

- Certain previous business combination and investment transactions have resulted, and in the future any such transactions by us may result, in significant costs and expenses, including those related to severance pay, early retirement costs, employee benefit costs, charges from the elimination of duplicative facilities and contracts, inventory adjustments, assumed litigation and other liabilities, legal, accounting and financial advisory fees, and required payments to executive officers and key employees under retention plans.

- Any increased or unexpected costs, unanticipated delays or failure to meet contractual obligations could make business combination and investment transactions less profitable or unprofitable.

- Our ability to conduct due diligence with respect to business combination and investment transactions, and our ability to evaluate the results of such due diligence, is dependent upon the veracity and completeness of statements and disclosures made or actions taken by third parties or their representatives.

- Our due diligence process may fail to identify significant issues with the acquired company's product quality, financial disclosures, accounting practices or internal control deficiencies.

- The pricing and other terms of our contracts for business combination and investment transactions require us to make estimates and assumptions at the time we enter into these contracts, and, during the course of our due diligence, we may not identify all of the factors necessary to estimate accurately our costs, timing and other matters or we may incur costs if a business combination is not consummated.

- In order to complete a business combination and investment transaction, we may issue Shares, potentially creating dilution for our existing stockholders.

- We may borrow to finance business combination and investment transactions, and the amount and terms of any potential future acquisition-related or other borrowings, as well as other factors, could affect our liquidity and financial condition.

- Our effective tax rate on an ongoing basis is uncertain, and business combination and investment transactions could adversely impact our effective tax rate.

- An announced business combination and investment transaction may not close on the expected timeframe or at all, which may cause our financial results to differ from expectations in a given quarter.

- Business combination and investment transactions may lead to litigation, which could impact our financial condition and results of operations.

- If we fail to identify and successfully complete and integrate business combination and investment transactions that further our strategic objectives, we may be required to expend resources to develop products, services and technology internally, which may put us at a competitive disadvantage.

We have incurred and will incur additional depreciation and amortization expense over the useful lives of certain assets acquired in connection with business combination and investment transactions and, to the extent that the value of goodwill or intangible assets acquired in connection with a business combination

and investment transaction becomes impaired, we may be required to incur additional material charges relating to the impairment of those assets. For example, for fiscal 2012, we recorded an $8.0 billion impairment charge relating to the goodwill associated with our enterprise services reporting unit within our Enterprise Services segment. In addition, for fiscal 2012, we recorded an $8.8 billion impairment charge relating to the goodwill and intangible assets associated with Autonomy. If there are future sustained decreases in our stock price or significant changes in the business climate or results of operations of our reporting units, we may incur additional charges, which may include goodwill impairment or intangible asset charges.

As part of our business strategy, we regularly evaluate the potential disposition of assets and businesses that may no longer help us meet our objectives. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated. In addition, we may experience greater dis-synergies than expected, and the impact of the divestiture on our revenue growth may be larger than projected. After reaching an agreement with a buyer or seller for the acquisition or disposition of a business, we are subject to satisfaction of pre-closing conditions as well as to necessary regulatory and governmental approvals on acceptable terms, which, if not satisfied or obtained, may prevent us from completing the transaction. Dispositions may also involve continued financial involvement in the divested business, such as through continuing equity ownership, guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results.

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

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

- successfully combining product and service offerings, including under the single new HPE brand, and entering or expanding into markets in which we are not experienced or are developing expertise;

- convincing customers and distributors that the transaction will not diminish customer service standards or business focus;

- persuading customers and distributors to not defer purchasing decisions or switch to other suppliers (which could result in our incurring additional obligations in order to address customer uncertainty), minimizing sales force attrition and expanding and coordinating sales, marketing and distribution efforts;

- consolidating and rationalizing corporate IT infrastructure, which may include multiple legacy systems from various acquisitions and integrating software code and business processes;

- minimizing the diversion of management attention from ongoing business concerns;

- persuading employees that business cultures are compatible, maintaining employee morale and retaining key employees, engaging with employee works councils representing an acquired company's non-U.S. employees, integrating employees, correctly estimating employee benefit costs and implementing restructuring programs;

- coordinating and combining administrative, manufacturing, research and development and other operations, subsidiaries, facilities and relationships with third parties in accordance with local laws and other obligations while maintaining adequate standards, controls and procedures;

- achieving savings from supply chain integration; and

- managing integration issues shortly after or pending the completion of other independent transactions.

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

We have announced restructuring plans, including the 2012 Plan and the 2015 Plan (each as defined below), in order to realign our cost structure due to the changing nature of our business and to achieve operating efficiencies that we expect to reduce costs. We may not be able to obtain the cost savings and benefits that were initially anticipated in connection with our restructuring. Additionally, as a result of our restructuring, we may experience a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating and growing our business. If we fail to achieve some or all of the expected benefits of restructuring, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows. For more information about our restructuring plans, including details regarding the 2012 Plan and the 2015 Plan, see Note 3, "Restructuring", to the Consolidated and Combined Financial Statements included in HPE's Form 10-K.

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

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

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

Much of our business and many of our products rely on key technologies developed or licensed by third parties. For example, many of our software offerings are developed using software components or other intellectual property licensed from third parties, including through both proprietary and open source licenses. These third-party software components may become obsolete, defective or incompatible with future versions of our products, or our relationship with the third party may deteriorate, or our agreements with the third party may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we must carefully monitor and manage our use of third-party software components, including both proprietary and open source license terms that may require the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable

or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, including our financial condition and results of operations. In addition, it is possible that as a consequence of a merger or acquisition, third parties may obtain licenses to some of our intellectual property rights or our business may be subject to certain restrictions that were not in place prior to such transaction. Because the availability and cost of licenses from third parties depends upon the willingness of third parties to deal with us on the terms we request, there is a risk that third parties who license to our competitors will either refuse to license us at all, or refuse to license us on terms equally favorable to those granted to our competitors. Consequently, we may lose a competitive advantage with respect to these intellectual property rights or we may be required to enter into costly arrangements in order to terminate or limit these rights.

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

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

***The allocation of intellectual property rights that was made between HPE and HPI as part of the separation of the two entities, and the shared use of certain intellectual property rights following the Separation, could in the future adversely impact our reputation, our ability to enforce certain intellectual property rights that are important to us and our competitive position.***

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

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

Our contracts with our customers may include unique and specialized performance requirements. In particular, our contracts with federal, state, provincial and local governmental customers are subject to various procurement regulations, contract provisions and other requirements relating to their formation, administration and performance. Any failure by us to comply with the specific provisions in our customer contracts or any violation of government contracting regulations could result in the imposition of various civil and criminal penalties, which may include termination of contracts, forfeiture of profits, suspension of payments and, in the case of our government contracts, fines and suspension from future government contracting. Such failures could also cause reputational damage to our business. In addition, our former

Parent has in the past been, and we may in the future be, subject to qui tam litigation brought by private individuals on behalf of the government relating to our government contracts, which could include claims for treble damages. Further, any negative publicity related to our customer contracts or any proceedings surrounding them, regardless of its accuracy, may damage our business by affecting our ability to compete for new contracts. If our customer contracts are terminated, if we are suspended or disbarred from government work, or if our ability to compete for new contracts is adversely affected, our financial performance could suffer.

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

In connection with the preparation of our Combined Financial Statements, we use certain estimates and assumptions based on historical experience and other factors. Our most critical accounting estimates are described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in HPE's Form 10-K. In addition, as discussed under "Litigation and Contingencies" included in Part II - Section 5.3 of this prospectus, we make certain estimates, including decisions related to provisions for legal proceedings and other contingencies. While we believe that these estimates and assumptions are reasonable under the circumstances, they are subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could adversely affect our results of operations.

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

We are subject to income and other taxes in the United States and numerous foreign jurisdictions. Our tax liabilities are affected by the amounts we charge in intercompany transactions for inventory, services, licenses, funding and other items. We are subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with our intercompany charges, cross-jurisdictional transfer pricing or other matters, and may assess additional taxes as a result. We regularly assess the likely outcomes of these audits in order to determine the appropriateness of our tax provision. However, there can be no assurance that we will accurately predict the outcomes of these audits, and the amounts ultimately paid upon resolution of audits could be materially different from the amounts previously included in our income tax expense and therefore could have a material impact on our tax provision, net income and cash flows. In addition, our effective tax rate in the future could be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws and the discovery of new information in the course of our tax return preparation process. In particular, if circumstances change such that we are unable to indefinitely reinvest our foreign earnings outside the United States, future income tax expense and payments may differ significantly from historical amounts and could materially adversely affect our results of operations. As of October 31, 2016, we had $26.2 billion of undistributed earnings from non-U.S. operations indefinitely reinvested outside of the United States. See Note 6, "Taxes on Earnings", to our Consolidated and Combined Financial Statements, in HPE's Form 10-K. The carrying value of our deferred tax assets, which are predominantly in the United States, is dependent on our ability to generate future taxable income in the United States. In addition, there are proposals for tax legislation that have been introduced or that are being considered that could have a significant adverse effect on our tax rate, the carrying value of deferred tax assets, or our deferred tax liabilities. Any of these changes could affect our financial performance.

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

In order to be successful, we must attract, retain, train, motivate, develop and transition qualified executives and other key employees, including those in managerial, technical, development, sales, marketing and IT support positions. Identifying, developing internally or hiring externally, training and retaining qualified executives, engineers, skilled solutions providers in the IT support business and

qualified sales representatives are critical to our future, and competition for experienced employees in the IT industry can be intense. In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash- and equity-based compensation. Our equity-based incentive awards may contain conditions relating to our stock price performance and our long-term financial performance that make the future value of those awards uncertain. If the anticipated value of such equity-based incentive awards does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit, if our total compensation package is not viewed as being competitive, or if we do not obtain the stockholder approval needed to continue granting equity-based incentive awards in the amounts we believe are necessary, our ability to attract, retain, and motivate executives and key employees could be weakened.

Our failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations. Further, changes in our management team may be disruptive to our business, and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations.

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

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

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

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

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

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

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

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

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

***Our stock price has fluctuated and may continue to fluctuate, which may make future prices of our stock difficult to predict.***

HPE's stock price, like that of other technology companies, can be volatile. Some of the factors that could affect our stock price are:

- speculation, coverage or sentiment in the media or the investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, effectiveness of cost-cutting efforts, value or liquidity of our investments, exposure to market volatility, prospects, business combination or investment transactions, future stock price performance, board of directors, executive team, our competitors or our industry in general;

- the announcement of new, planned or contemplated products, services, technological innovations, acquisitions, divestitures or other significant transactions by HPE or its competitors;

- quarterly increases or decreases in revenue, gross margin, earnings or cash flows, changes in estimates by the investment community or financial outlook provided by HPE and variations between actual and estimated financial results;

- announcements of actual and anticipated financial results by HPE's competitors and other companies in the IT industry;

- developments relating to pending investigations, claims and disputes; and

- the timing and amount of share repurchases by HPE.

General or industry specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to HPE's performance also may affect the price of HPE's stock. For these reasons, investors should not rely on recent or historical trends to predict future stock prices, financial condition, results of operations or cash flows. In addition, as discussed under "Litigation and Contingencies" in Part II - Section 5.3 of this prospectus, we are involved in several securities class action litigation matters. Additional volatility in the price of our securities could result in the filing of additional securities class action litigation matters, which could result in substantial costs and the diversion of management time and resources.

***Failure to maintain a satisfactory credit rating could adversely affect our liquidity, capital position, borrowing costs and access to capital markets.***

We currently maintain investment grade credit ratings with Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings Services. Despite these investment grade credit ratings, any future downgrades could increase the cost of borrowing under any indebtedness we may incur, reduce market capacity for our commercial paper or require the posting of additional collateral under our derivative contracts. Additionally, increased borrowing costs, including those arising from a credit rating downgrade, can potentially reduce the competitiveness of our financing business. There can be no assurance that we will be able to maintain our credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, may have a negative impact on our liquidity, capital position and access to capital markets.

***Our debt obligations may adversely affect our business and our ability to meet our obligations and pay dividends.***

In addition to our current total carrying debt, we may also incur additional indebtedness in the future. This collective amount of debt could have important adverse consequences to us and our investors, including:

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

- making it more difficult to satisfy other obligations;

- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;

- increasing our vulnerability to general adverse economic and industry conditions;

- reducing the cash flows available to fund capital expenditures and other corporate purposes and to grow our business;

- limiting our flexibility in planning for, or reacting to, changes in our business and industry; and

- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase the Shares.

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

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

We have provisions in our certificate of incorporation and bylaws, each of which could have the effect of rendering more difficult or discouraging an acquisition of HPE deemed undesirable by the Board. These include provisions:

- authorizing blank check preferred stock, which we could issue with voting, liquidation, dividend and other rights superior to the Shares;

- limiting the liability of, and providing indemnification to, our directors and officers;

- specifying that our stockholders may take action only at a duly called annual or special meeting of stockholders and otherwise in accordance with our bylaws and limiting the ability of our stockholders to call special meetings;

- requiring advance notice of proposals by our stockholders for business to be conducted at stockholder meetings and for nominations of candidates for election to the Board; and

- controlling the procedures for conduct of the Board and stockholder meetings and election, appointment and removal of our directors.

These provisions, alone or together, could deter or delay hostile takeovers, proxy contests and changes in control or management of HPE. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law ("DGCL"), which prevents some stockholders from engaging in certain business combinations without approval of the holders of substantially all of our outstanding Shares.

Any provision of our certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control of HPE could limit the opportunity for our stockholders to receive a premium for their Shares and also could affect the price that some investors are willing to pay for the Shares.

## II. RISKS RELATED TO THE SEPARATIONS OF OUR FORMER ENTERPRISE SERVICES BUSINESS AND OUR FORMER SOFTWARE SEGMENT

***The stock distribution in either or both of the completed separations of our former Enterprise Services business and our former Software segment could result in significant tax liability, and DXC or Micro Focus (as applicable) may in certain cases be obligated to indemnify us for any such tax liability imposed on us.***

The completed separations of our former Enterprise Services business and our Software Segment were conditioned upon, the receipt of an opinion from outside counsel regarding the qualification of (i) the relevant distribution and related transactions as a "reorganization" within the meaning of Sections 368(a), 361 and 355 of the Internal Revenue Code of 1986 (the "Code"); and (ii) the relevant merger as a "reorganization" within the meaning of Section 368(a) of the Code. While the Software Separation is generally expected to qualify for tax-free treatment for us, Seattle SpinCo and Micro Focus, the acquisition of Seattle SpinCo by Micro Focus is expected to result in the recognition of gain (but not loss) for U.S. persons who receive Micro Focus American Depositary Shares in the Software Separation.

Each opinion of outside counsel was based upon and relied on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of us, Everett SpinCo and CSC, or us, Seattle SpinCo and Micro Focus, as applicable. If any of these representations, statements or undertakings are, or become, inaccurate or incomplete, or if any party breaches any of its covenants in the relevant separation documents, the relevant opinion of counsel may be invalid and the conclusions reached therein could be jeopardized. Notwithstanding the opinions of counsel, the Internal Revenue Service (the "IRS") could determine that either or both of the distributions should be treated as a taxable transaction if it determines that any of the facts, assumptions, representations, statements or undertakings upon which the relevant opinion of counsel was based are false or have been violated, or if it disagrees with the conclusions in the opinion of counsel. An opinion of counsel is not binding on the IRS and there can be no assurance that the IRS will not assert a contrary position.

If the distribution of Everett SpinCo or Seattle SpinCo, as applicable, together with certain related transactions, failed to qualify as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code, in general, we would recognize taxable gain as if we had sold the stock of Everett SpinCo or Seattle SpinCo, as applicable, in a taxable sale for its fair market value, and our stockholders who receive Everett SpinCo shares or Seattle SpinCo shares in the relevant distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares.

We obtained a private letter ruling from the IRS regarding certain matters impacting the U.S. federal income tax treatment of the completed separation of our former Enterprise Services business and certain related transactions as transactions that are generally tax-free for U.S. federal income tax purposes. The conclusions of the IRS private letter ruling were based, among other things, on various factual assumptions we have authorized and representations we have made to the IRS. If any of these assumptions or representations are, or become, inaccurate or incomplete, reliance on the IRS private letter ruling may be affected. Notwithstanding the foregoing, we incurred certain tax costs in connection with the completed separation of our former Enterprise Services business, including non-U.S. tax expenses resulting from the completed separation of our former Enterprise Services business in multiple non-U.S. jurisdictions that do not legally provide for tax-free separations, which may be material. If the completed separation of our former Enterprise Services business or certain internal transactions undertaken in anticipation of the completed separation of our former Enterprise Services business are determined to be taxable for U.S. federal income tax purposes, we, our stockholders that are subject to U.S. federal income tax and/or DXC could incur significant U.S. federal income tax liabilities.

We have applied for a private letter ruling from the IRS regarding certain U.S. federal income tax matters relating to the Software Separation and certain related transactions as transactions that are generally tax-free for U.S. federal income tax purposes. The conclusions of the IRS private letter ruling will be based, among other things, on various factual assumptions we have authorized and representations we have

made to the IRS. If any of these assumptions or representations are, or become, inaccurate or incomplete, the validity of the IRS private letter ruling may be affected. If the completed separation of our former Software Segment or certain internal transactions undertaken in anticipation of the completed separation of our former Software Segment are determined to be taxable for U.S. federal income tax purposes, or if we do not receive the private letter ruling concluding that the transactions are generally tax-free, we, our stockholders that are subject to U.S. federal income tax and/or Micro Focus could be subject to significant U.S. federal income tax liabilities. Notwithstanding the foregoing, we incurred certain tax costs in connection with the completed separation of our former Software Segment business, including non-U.S. tax expenses resulting from the completed separation of our former Software Segment business in multiple non-U.S. jurisdictions that do not legally provide for tax-free separations, which may be material.

Under the tax matters agreements entered into by us with Everett SpinCo and CSC, and with Seattle SpinCo and Micro Focus, Everett SpinCo and Seattle SpinCo generally would be required to indemnify us for any taxes resulting from the relevant separation (and any related costs and other damages) to the extent such amounts resulted from (i) certain actions taken by, or acquisitions of capital stock of, Everett SpinCo or Seattle SpinCo, as applicable (excluding actions required by the documents governing the relevant Separation), or (ii) any breach of certain representations and covenants made by Everett SpinCo or Seattle SpinCo, as applicable. Any such indemnity obligations could be material.

As a result of the spin-merge transactions and related restructurings intended to be executed in the fourth quarter of fiscal 2017, we expect that our U.S. GAAP effective tax rate may materially decline.

## III. RISK RELATED TO THE PRIOR SEPARATION FROM FORMER PARENT

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

It was a condition to the distribution that our former Parent receive (i) a private letter ruling from the IRS and/or one or more opinions from its external tax advisors, regarding certain U.S. federal income tax matters relating to the Separation and related transactions, and (ii) opinions of outside counsel regarding the qualification of the distribution, together with certain related transactions, as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) of the Code. These opinions of outside counsel or other external tax advisors and the IRS private letter ruling were based, among other things, on various facts and assumptions, as well as certain representations, statements and undertakings of HP Co. and HPE (including those relating to the past and future conduct of HP Co. and HPE). If, in the future, any of these facts, assumptions, representations, statements or undertakings is, or becomes, inaccurate or incomplete, or if HPI, as successor to HP Co., or HPE breach any of their respective covenants contained in any of the Separation-related agreements or in the documents relating to the IRS private letter ruling and/or any tax opinion, the IRS private letter ruling and/or any tax opinion may be rendered invalid. Accordingly, notwithstanding HP Co.'s receipt of the IRS private letter ruling and/or opinions of counsel or other external tax advisors, the IRS could determine that the distribution and certain related transactions should be treated as taxable transactions for U.S. federal income tax purposes if it determines that any of the facts, assumptions, representations, statements or undertakings that were included in the request for the IRS private letter ruling or on which any opinion was based are false or have been violated. In addition, the IRS private letter ruling does not address all of the issues that are relevant to determining whether the distribution, together with certain related transactions, qualifies as a transaction that is generally tax-free for U.S. federal income tax purposes, and an opinion of outside counsel or other external tax advisor represents the judgment of such counsel or advisor which is not binding on the IRS or any court. Accordingly, notwithstanding receipt by HP Co. of the IRS private letter ruling and the tax opinions referred to above, there can be no assurance that the IRS will not assert that the distribution and/or certain related transactions do not qualify for tax-free

treatment for U.S. federal income tax purposes or that a court would not sustain such a challenge. In the event the IRS were to prevail with such challenge, HPI, HPE and HP Co. stockholders who received the Shares in the distribution could be subject to significant U.S. federal income tax liability.

If the distribution, together with certain related transactions, is found to no longer qualify as a transaction that is generally tax-free under Sections 355 and 368(a)(1)(D) of the Code, in general, for U.S. federal income tax purposes, HPI would recognize taxable gain as if it has sold the Shares in a taxable sale for its fair market value and HP Co. stockholders who received Shares in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such Shares.

Under the tax matters agreement we entered into with HPI in connection with the Separation (the "Tax Matters Agreement"), we are generally required to indemnify HPI for any taxes resulting from the Separation (and any related costs and other damages) to the extent such amounts resulted from (i) an acquisition of all or a portion of the equity securities or assets of HPE, whether by merger or otherwise (and regardless of whether we participated in or otherwise facilitated the acquisition), (ii) other actions or failures to act by HPE or (iii) any of the representations or undertakings of HPE contained in any of the Separation-related agreements or in the documents relating to the IRS private letter ruling and/or any tax opinion being incorrect or violated. Any such indemnity obligations could be material.

In addition we incurred certain tax costs in connection with the Separation, including non-U.S. tax costs resulting from separations in multiple non-U.S. jurisdictions that do not legally provide for tax-free separations, which may be material.

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

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

***We have limited history of operating as an independent company and we expect to incur increased administrative and other costs following the Separation by virtue of our status as an independent public company. Our historical financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.***

The historical information about HPE relating to fiscal years prior to fiscal 2016 in HPE's Form 10-K refers to our business as formerly operated by and integrated with our former Parent, and does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors, among others:

- Prior to the Separation, our business was operated by our former Parent as part of its broader corporate organization, rather than as an independent company. Our former Parent or one of its affiliates performed various corporate functions for us such as legal, treasury, accounting, internal auditing, human resources and corporate affairs, and also provided our IT and other corporate infrastructure. Our historical financial results reflect allocations of corporate expenses from our

former Parent for such functions and are likely to be less than the expenses we would have incurred had we operated as a separate publicly traded company. Now that the Separation is complete, our costs related to such functions previously performed by HP Co. may increase.

- Historically, when we were integrated with the other businesses of our former Parent, we shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. Although we have entered into certain agreements (including a transition services agreement) with HPI in connection with the Separation, these arrangements may not fully capture the benefits that we enjoyed as a result of being integrated with our former Parent and may result in us paying higher charges than in the past for these services. This could have an adverse effect on our results of operations and financial condition in future periods.

- Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, have historically been satisfied as part of the corporate-wide cash management policies of our former Parent. In connection with the Separation, we have entered into certain financing arrangements described under the section entitled "Description of Material Indebtedness" as part of our transition to becoming a standalone company. We may in the future need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

- The cost of capital for our business may be higher than our former Parent's cost of capital prior to the Separation.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a separate company. For additional information about the past financial performance of our business and the basis of presentation of the historical consolidated and combined financial statements of our business, see "Consolidated and Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical Consolidated and Combined Financial Statements and accompanying notes included in HPE's Form 10-K.

***The Separation and Distribution Agreement that we entered into with our former Parent may limit our ability to compete in certain markets and may impose limitations on our recruiting efforts for a period of time following the Separation.***

The Separation and Distribution Agreement includes non-compete provisions pursuant to which we generally agree to not compete with HPI in certain product and service categories that comprise the HPI business, including personal computers and printers, worldwide for three years from the distribution date. Such restrictions are subject to certain exceptions set forth in the Separation and Distribution Agreement. These restrictions may limit our ability to compete in certain markets, and could materially and adversely affect our business, financial condition and results of operations.

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

In connection with the Separation, HPE and HPI entered into several agreements, including among others a transition services agreement (the "Transition Services Agreement"), the Separation and Distribution Agreement, the Tax Matters Agreement, an employee matters agreement (the "Employee Matters Agreement"), a real estate matters agreement (the "Real Estate Matters Agreement"), a commercial agreement (the "Master Commercial Agreement") and an IT service agreement (the "Information Technology Service Agreement" or the "IT Service Agreement"). The Transition Services Agreement provides for the performance of certain services by each company for the benefit of the other for a transition period after the Separation. The Separation and Distribution Agreement, Tax Matters

Agreement, Employee Matters Agreement and Real Estate Matters Agreement determine the allocation of assets and liabilities between the companies following the Separation for those respective areas and include any necessary indemnifications related to liabilities and obligations. The Master Commercial Agreement establishes a bilateral relationship between HPI and us for the purchase and sale of commercially available products and services for internal use, incorporation and bundling in OEM products and services, resale to customers and use in the provision of managed services to customers, as well as joint customer pursuits and joint development activities. The IT Service Agreement provides for the performance by one of our subsidiaries of certain application development and maintenance and IT infrastructure services for HPI We rely on HPI to satisfy its performance and payment obligations under these agreements. If HPI is unable to satisfy its obligations under these agreements, including its obligations with respect to the provision of transition services, we could incur operational difficulties or losses that could have a material and adverse effect on our business, financial condition and results of operations.

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

***The Separation may in the future result in disruptions to, and negatively impact our relationships with, our customers and other business partners. In addition, certain contracts that that needed to be assigned from HPI or its affiliates to HPE in connection with the Separation and required the consent of the counterparty to such an assignment have not, as yet, and failure to obtain these consents could increase our expenses or otherwise harm our business and financial performance.***

Uncertainty related to the HPE's position post-Separation may lead customers and other parties with which we currently do business or may do business in the future to terminate or attempt to negotiate changes in our existing business relationships, or cause them to consider entering into business relationships with parties other than us. These disruptions could have a material and adverse effect on our businesses, financial condition, results of operations and prospects.

In addition, the Separation and Distribution Agreement provided for the assignment of a number of contracts from HPI or its affiliates to us or our affiliates. A minority of our customer contracts require the contractual counterparty's consent to assignment, a small number of which remain outstanding post-Separation. If we are unable to obtain these consents, we may be unable to obtain some of the benefits, assets and contractual commitments that are intended to be allocated to us as part of the Separation. If we are unable to obtain these consents, the loss of these contracts could increase our expenses or otherwise reduce our profitability.

***Indemnification liabilities to HPI pursuant to the Separation and Distribution Agreement could materially and adversely affect our business, financial condition, results of operations and cash flows.***

The Separation and Distribution Agreement provides for, among other things, indemnification obligations generally designed to make us financially responsible for (i) liabilities primarily associated with our business; (ii) our failure to pay, perform or otherwise promptly discharge any such liabilities or contracts, in accordance with their respective terms, whether prior to, at or after the distribution; (iii) any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding by HPI for our benefit, unless related to liabilities primarily associated with the HPI business; (iv) any breach by us of the separation agreement or any of the ancillary agreements or any action by us in contravention of our amended and restated certificate of incorporation or amended and

restated bylaws; and (v) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in our registration statement on Form 10 or any other disclosure document that describes the Separation or the distribution or HPE and its subsidiaries or primarily relates to the transactions contemplated by the Separation and Distribution Agreement, subject to certain exceptions. If we are required to indemnify HPI under the circumstances set forth in the Separation and Distribution Agreement, we may be subject to substantial liabilities.

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

Pursuant to the Separation and Distribution Agreement and certain other agreements we have entered into with HPI, HPI has agreed to indemnify HPE for certain liabilities. However, third parties could also seek to hold us responsible for any of the liabilities that HPI has agreed to retain, and there can be no assurance that the indemnity from HPI will be sufficient to protect us against the full amount of such liabilities, or that HPI will be able to fully satisfy its indemnification obligations. In addition, HPI's insurers may attempt to deny us coverage for liabilities associated with certain occurrences of indemnified liabilities prior to the Separation. Moreover, even if we ultimately succeed in recovering from HPI or such insurance providers any amounts for which we are held liable, we may be temporarily required to bear these losses. Each of these risks could negatively affect our business, financial position, results of operations and cash flows.

***We are subject to continuing contingent liabilities as a result of our separation from our former Parent.***

As a result of the Separation from our former Parent, there are several significant areas where the liabilities of our former Parent have or may become our obligations. For example, under the Code and the related rules and regulations, each corporation that was a member of the consolidated U.S. federal income tax return group of our former Parent during a taxable period or portion of a taxable period ending on or before the effective date of the distribution is severally liable for the U.S. federal income tax liability of the consolidated U.S. federal income tax return group of our former Parent for that taxable period. Consequently, if HPI is unable to pay the consolidated U.S. federal income tax liability for a pre-Separation period, we could be required to pay the amount of such tax, which could be substantial and in excess of the amount allocated to us under the tax matters agreement.

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

In connection with the Separation and distribution, our former Parent undertook several corporate reorganization transactions involving its subsidiaries which, along with the Separation and distribution, may be subject to federal and state fraudulent conveyance and transfer laws. If, under these laws, a court were to determine that, at the time of the Separation and distribution, any entity involved in these reorganization transactions or the Separation and distribution:

- was insolvent;
- was rendered insolvent by reason of the Separation and distribution;
- had remaining assets constituting unreasonably small capital; or
- intended to incur, or believed it would incur, debts beyond its ability to pay these debts as they matured, then the court could void the Separation and distribution, in whole or in part, as a

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

## IV. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

### 4.1 Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange rate risk inherent in our sales commitments, anticipated sales, anticipated purchases, and assets and liabilities denominated in currencies other than the U.S. dollar. We transact business in approximately 70 currencies worldwide, of which the most significant foreign currencies to our operations for fiscal 2016 were the euro, British pound, Chinese yuan (renminbi), and Japanese yen. For most currencies, we are a net receiver of the foreign currency and therefore benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currency. Even where we are a net receiver of the foreign currency, a weaker U.S. dollar may adversely affect certain expense figures, if taken alone.

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

We have performed sensitivity analyses as of October 31, 2016 and 2015, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of foreign currency exchange rates relative to the U.S. dollar, with all other variables held constant. The analyses cover all of our foreign currency derivative contracts offset by underlying exposures. The foreign currency exchange rates we used in performing the sensitivity analysis were based on market rates in effect at October 31, 2016 and 2015. The sensitivity analyses indicated that a hypothetical 10% adverse movement in foreign currency exchange rates would result in a foreign exchange fair value loss of $47 million and $21 million at October 31, 2016 and 2015, respectively.

### 4.2 Interest Rate Risk

We also are exposed to interest rate risk related to debt we have issued and our investment portfolio and financing receivables. We issue long-term debt in either U.S. dollars or foreign currencies based on market conditions at the time of financing.

We often use interest rate and/or currency swaps to modify the market risk exposures in connection with the debt to achieve U.S. dollar LIBOR-based floating interest expense. The swap transactions generally involve the exchange of fixed for floating interest payments. However, we may choose not to swap fixed for floating interest payments or may terminate a previously executed swap if we believe a larger proportion of fixed-rate debt would be beneficial.

In order to hedge the fair value of certain fixed-rate investments, we may enter into interest rate swaps that convert fixed interest returns into variable interest returns. We may use cash flow hedges to hedge the variability of LIBOR-based interest income received on certain variable-rate investments, by entering into interest rate swaps that convert variable rate interest returns into fixed-rate interest returns.

We have performed sensitivity analyses as of October 31, 2016 and 2015, using a modeling technique that measures the change in the fair values arising from a hypothetical 10% adverse movement in the levels of interest rates across the entire yield curve, with all other variables held constant. The analyses cover our debt, investments, financing receivables, and interest rate swaps. The analyses use actual or approximate maturities for the debt, investments, financing receivables, and interest rate swaps. The discount rates used were based on the market interest rates in effect at October 31, 2016 and 2015. The sensitivity analyses indicated that a hypothetical 10% adverse movement in interest rates would result in a loss in the fair values of our debt, investments and financing receivables, net of interest rate swaps, of $39 million and $52 million at October 31, 2016 and 2015, respectively.

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

## I. THE OUTLINE

### 1.1 Purpose of the ESPP

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

### 1.2 Shares Offered Under the ESPP

The maximum aggregate number of Shares available for issuance under the ESPP on a worldwide basis as of November 1, 2015 (80 million Shares) represents approximately 4.93% of the 1,619,464,166 Shares outstanding as of August 31, 2017. Such numbers are subject to adjustments in accordance with the terms of the ESPP.

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

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

- A Participant may not purchase more than 5,000 whole Shares in any individual Purchase Period.

- No Participant may be granted a right to purchase Shares under the ESPP at a rate which exceeds Twenty-Five Thousand Dollars ($25,000) of the fair market value of such common stock (determined when the right is granted under the ESPP) for each calendar year in which the right is outstanding at any time.

- Participants cannot, in the aggregate, purchase more than the number of Shares remaining in the ESPP on the Purchase Date. If such maximum otherwise would be exceeded based on ESPP participation, the Committee will allocate a prorated portion of the available Shares to each Participant in a uniform and equitable manner.

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

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

**1.3 Purchase Period**

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

**1.4 Purchase Price**

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

**1.5 Purchase of the Shares**

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

**1.6 Term of the ESPP**

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

**1.7 Amendment or Discontinuance of the ESPP**

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

## II. ELIGIBILITY

### 2.1 Eligible Employees

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

(a) Employees who are "highly compensated employees" within the meaning of Section 414(q) of the Code, or who are subject to the disclosure requirements of Section 16(a) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(b) Employees who, if immediately after exercising their rights granted under the ESPP, would own Shares or hold options over Shares representing five percent (5%) or more of the total combined voting power or value of all classes of Shares or the shares of any Designated Company.

Please refer to Sections 2.4 and 2.5 below describing how a Participant may withdraw from the ESPP and the consequences 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.

### 2.2 Participation of Eligible Employees

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

### 2.3 Payroll Deductions

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

### 2.4 Discontinuance of Participation of Participants

A Participant may withdraw from the ESPP during the Purchase Period through the electronic or other procedure established by the Company prior to the change enrollment deadline established by the Committee, which is approximately three weeks before the end of the Purchase Period. If a Participant withdraws from the ESPP during a Purchase Period, his or her accumulated Contributions will be refunded to the Participant without interest, unless otherwise required by local law. The Committee in its discretion may establish additional rules limiting the timing and frequency during which Participants may withdraw and re-enroll 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, 2017, the Company was authorized to issue 9,600,000,000 Shares, and 300,000,000 shares of preferred stock, par value $0.01 per share, all of which shares of preferred stock are undesignated. As of August 31, 2017, there were 1,619,464,166 Shares outstanding, and there were no shares of preferred stock issued and outstanding.

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

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

The Shares were created under the DGCL. Except as otherwise expressly required under the laws of a country, the ESPP and all rights thereunder shall be governed by and construed in accordance with the laws of the State of Delaware, U.S.A.

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

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

Fidelity can be contacted at Fidelity Stock Plan Services 100 Crosby Parkway, Mail zone KC1M, Covington, KY 41015, U.S.A., or by telephone at +1-800-409-4015 (domestic) or 1-800-544-0275 (international).

### 4.4 Currency of the Securities Issue

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

### 4.5 Rights Attached to the Securities

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

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

On November 11, 2015, the Board authorized a regular quarterly cash dividend for its Shares. The stockholders of the Shares are entitled to receive dividends when and as declared by the Board. Dividends declared were $0.22 per Share in fiscal 2016. Additional information is provided in the financial tables included in Section 10.1 below.

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

***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 stockholders, and there are no cumulative voting rights.

*Amendments to Bylaws*. The Amended and Restated Bylaws of HPE (the "Bylaws") will provide that they may be amended by the Board or by the affirmative vote of a majority of the Shares entitled to vote, except that certain provisions (such as with respect to the procedures for stockholder meetings, the size of the Board and director indemnification), if amended by HPE's stockholders, require the affirmative vote of a majority of the outstanding Shares entitled to vote thereon.

*Special Stockholder Meetings*. A special meeting of stockholders shall be called by the Board upon written request to the secretary of one or more record holders who are acting on behalf of beneficial owners (which may include such record holders) who have a "net long position" (as defined in the Bylaws) of Shares representing in the aggregate not less than 25% of the total number of Shares entitled to vote on the matter or matters to be brought before the proposed special meeting; provided that each such owner must have held such "net long position" included in such aggregate amount as of the date the written request for a special meeting is received by the secretary and on the record date for the proposed special meeting, and must continue to hold such "net long position" through the conclusion of the special meeting.

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 HPE, holders of the Shares are entitled to ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then-outstanding preferred stock.

***No Preemptive, Redemptive or Conversion Provisions***. The Company's Shares have no preemptive rights, conversion rights, or other subscription rights or redemption or sinking fund provisions. The rights, preferences and privileges of the holders of the Shares are subject to, and may be adversely affected by, the rights of the holders of Shares of any series of preferred stock that the Company may designate and issue in the future.

### 4.6 Transferability

The Shares offered under the ESPP are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable.

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

### 4.7 General Provisions Applying to Business Combinations

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

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

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

## V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF JULY 31, 2017

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

| | |
|---|---|
| Total Current Debt | $ 2,069 |
| - Guaranteed | – |
| - Secured | – |
| - Unguaranteed / Unsecured | $ 2,069 |
| | |
| Total Non-Current Debt (excluding current portion of long-term debt) | $ 14,527 |
| - Guaranteed | – |
| - Secured | – |
| - Unguaranteed / Unsecured | $ 14,527 |
| | |
| Stockholders' equity | |
| a. Share Capital and Additional Paid-in Capital | $ 34,048 |

| | | |
|---|---|---|
| b. Legal Reserve | | – |
| c. Total Other Reserves | $ | (5,036) |
| - Retained earnings | $ | (1,676) |
| - Accumulated other comprehensive loss | $ | (3,360) |
| Total Stockholders' Equity | $ | 29,050 |
| - Total HPE Stockholders' Equity | $ | 29,012 |
| - Non-controlling interests of continuing operations | $ | 38 |

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

| | | | |
|---|---|---|---|
| A.+ B. | Cash and Cash Equivalents | $ | 7,757 |
| C. | Short-term Investments | | – |
| **D.** | **Liquidity** (A) + (B) + (C) | **$** | **7,757** |
| | | | |
| **E.** | **Current Financial Receivable** | **$** | **3,295** |
| F. | Current Bank Debt | $ | 473 |
| G. | Current Portion of Non-current Debt | $ | 1,221 |
| H. | Other Current Financial Debt | $ | 375 |
| **I.** | **Other Financial Debt** (F) + (G) + (H) | **$** | **2,069** |
| | | | |
| **J.** | **Net Current Financial Indebtedness** (I) – (E) – (D) | **$** | **(8,983)** |
| | | | |
| K. | Non-current Bank Loans | | – |
| L. | Bonds Issued | $ | 14,527 |
| M. | Other Non-current Loans | | – |
| | | | |
| **N.** | **Non-current Financial Indebtedness** (K) + (L) + (M) | **$** | **14,527** |
| | | | |
| **O.** | **Net Financial Indebtedness** (J) + (N) | **$** | **5,544** |

***Description of Material Indebtedness***

*HPE Senior Notes*

On September 20, 2017, HPE completed its offering of the Notes. HPE intends to use the net proceeds from this offering to fund the repayment of the $750 million outstanding principal amount of its 2.450% notes due 2017, the repayment of the $350 million outstanding principal amount of its floating rate notes due 2017, and for general corporate purposes, which may include pursuing various mergers and acquisitions. The Notes are HPE's senior unsecured obligations and rank equally in right of payment with all of HPE's existing and future senior unsecured indebtedness

*Commercial Paper*

The Board has authorized the issuance of up to $4.0 billion in aggregate principal amount of commercial paper by HPE. HPE's subsidiaries are authorized to issue up to an additional $500 million in aggregate principal amount of commercial paper. HPE maintains two commercial paper programs, and a wholly-owned subsidiary maintains a third program. HPE's U.S. program provides for the issuance of U.S. dollar-denominated commercial paper up to a maximum aggregate principal amount of $4.0 billion. HPE's euro commercial paper program provides for the issuance of commercial paper outside of the U.S. denominated in U.S. dollars, euros or British pounds up to a maximum aggregate principal amount of $3.0 billion or the equivalent in those alternative currencies. The combined aggregate principal amount of commercial paper outstanding under those programs at any one time cannot exceed the $4.0 billion authorized by the Board. The HPE subsidiary's euro Commercial Paper/Certificate of Deposit Program

provides for the issuance of commercial paper in various currencies of up to a maximum aggregate principal amount of $500 million.

*Revolving Credit Facility*

On November 1, 2015, the Company entered into a revolving credit facility (the "Credit Agreement"), together with the lenders named therein, JPMorgan Chase Bank, N.A. ("JPMorgan"), as co-administrative agent and administrative processing agent, and Citibank, N.A., as co-administrative agent, providing for a senior, unsecured revolving credit facility with aggregate lending commitments of $4.0 billion. Loans under the revolving credit facility may be used for general corporate purposes. Commitments under the Credit Agreement are available for a period of five years, which period may be extended, subject to satisfaction of certain conditions, by up to two one-year periods. Commitment fees, interest rates and other terms of borrowing under the credit facility vary based on HPE's external credit rating.

*Everett Financing*

In connection with the Everett Transaction, Everett borrowed an aggregate principal amount of approximately $3.5 billion which consisted of a term loan facility in the principal amount of $2.0 billion and Senior Notes in the principal amount of $1.5 billion. The proceeds from these arrangements were used to fund a $3.0 billion cash dividend payment from Everett to HPE and the remaining approximately $0.5 billion was retained by Everett. The obligations under these borrowing arrangements were retained by Everett.

On April 28, 2017, the Company used a portion of the $3.0 billion cash dividend received from Everett to redeem $1.5 billion face value of the $2.25 billion Senior Notes with an original maturity date of October 5, 2017. A proportional amount of unamortized discount and debt issuance costs have been allocated to the retired debt. These costs, along with the redemption price of $1.508 billion resulted in an immaterial loss.

*Seattle Financing*

In connection with the Seattle Transaction, during the third quarter of fiscal 2017, Seattle entered into a term loan facility in the principal amount of $2.6 billion. The proceeds from the term loan were held in escrow and earned interest until just prior to the September 1, 2017 spin-off of Seattle when the cash was released to Seattle and used to fund a $2.5 billion dividend payment to HPE. While in escrow, the cash was presented as restricted cash within Other current assets in the Condensed Consolidated Balance Sheet in HPE's Form 10-Q. The obligation under this borrowing arrangement was retained by Seattle.

### 5.3 Indirect and Contingent Indebtedness

***Financing Receivables and Operating Leases***

Financing receivables represent sales-type and direct-financing leases of the Company and third-party products. These receivables typically have terms ranging from two to five years and are usually collateralized by a security interest in the underlying assets. Financing receivables also include billed receivables from operating leases. The components of financing receivables were as follows:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Minimum lease payments receivable | $ 7,873 | $ 8,480 |
| Unguaranteed residual value | 254 | 231 |
| Unearned income | (619) | (678) |
| Financing receivables, gross | 7,508 | 8,033 |

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Allowance for doubtful accounts | (90) | (89) |
| Financing receivables, net | 7,418 | 7,944 |
| Less: current portion[1] | (3,295) | (3,360) |
| Amounts due after one year, net[1] | $ 4,123 | $ 4,584 |

(1) The Company includes the current portion in Financing receivables, and amounts due after one year, net in Long-term financing receivables and other assets, in the accompanying Condensed Consolidated Balance Sheets included in HPE's Form 10-Q.

During the second quarter of fiscal 2017, in connection with the Everett Transaction, the Company converted certain capital lease arrangements with the former ES segment to operating lease assets held by FS. The decrease in financing receivables during the nine months ended July 31, 2017 in the table above is due primarily to this conversion of capital leases to operating leases.

*Sale of Financing Receivables*

During the three and nine months ended July 31, 2017 and 2016, the Company entered into arrangements to transfer the contractual payments due under certain financing receivables to third party financial institutions, which are accounted for as sales in accordance with Accounting Standards Codification ("ASC") 860 - Transfers and Servicing. The Company derecognizes the carrying value of the receivable transferred and recognizes a net gain or loss on the sale. During the nine months ended July 31, 2017 and 2016, the Company sold $130 million and $101 million, respectively, of financing receivables; cash was generally collected in full at the time of sale. The gains recognized on the sales of financing receivables were not material for the periods presented.

*Credit Quality Indicators*

Due to the homogeneous nature of its leasing transactions, the Company manages its financing receivables on an aggregate basis when assessing and monitoring credit risk. Credit risk is generally diversified due to the large number of entities comprising the Company's customer base and their dispersion across many different industries and geographic regions. The Company evaluates the credit quality of an obligor at lease inception and monitors that credit quality over the term of a transaction. The Company assigns risk ratings to each lease based on the creditworthiness of the obligor and other variables that augment or mitigate the inherent credit risk of a particular transaction. Such variables include the underlying value and liquidity of the collateral, the essential use of the equipment, the term of the lease, and the inclusion of credit enhancements, such as guarantees, letters of credit or security deposits.

The credit risk profile of gross financing receivables, based upon internal risk ratings, was as follows:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Risk Rating: | | |
| Low | $ 4,031 | $ 4,027 |
| Moderate | 3,355 | 3,909 |
| High | 122 | 97 |
| Total | $ 7,508 | $ 8,033 |

Accounts rated low risk typically have the equivalent of a Standard & Poor's rating of BBB– or higher, while accounts rated moderate risk generally have the equivalent of BB+ or lower. The Company classifies accounts as high risk when it considers the financing receivable to be impaired or when management believes there is a significant near-term risk of impairment.

*Allowance for Doubtful Accounts*

The allowance for doubtful accounts for financing receivables is comprised of a general reserve and a specific reserve. The Company maintains general reserve percentages on a regional basis and bases such percentages on several factors, including consideration of historical credit losses and portfolio delinquencies, trends in the overall weighted-average risk rating of the portfolio, current economic conditions and information derived from competitive benchmarking. The Company excludes accounts evaluated as part of the specific reserve from the general reserve analysis. The Company establishes a specific reserve for financing receivables with identified exposures, such as customer defaults, bankruptcy or other events, that make it unlikely the Company will recover its investment. For individually evaluated receivables, the Company determines the expected cash flow for the receivable, which includes consideration of estimated proceeds from disposition of the collateral, and calculates an estimate of the potential loss and the probability of loss. For those accounts where a loss is considered probable, the Company records a specific reserve. The Company generally writes off a receivable or records a specific reserve when a receivable becomes 180 days past due, or sooner if the Company determines that the receivable is not collectible.

The allowance for doubtful accounts for financing receivables as of July 31, 2017 and October 31, 2016 and the respective changes during the nine and twelve months then ended were as follows:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Balance at beginning of period | $ 89 | $ 95 |
| Provision for doubtful accounts | 17 | 11 |
| Write-offs | (16) | (17) |
| Balance at end of period | $ 90 | $ 89 |

The gross financing receivables and related allowance evaluated for loss were as follows:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Gross financing receivables collectively evaluated for loss | $ 7,206 | $ 7,750 |
| Gross financing receivables individually evaluated for loss | 302 | 283 |
| Total | $ 7,508 | $ 8,033 |
| Allowance for financing receivables collectively evaluated for loss | $ 71 | $ 73 |
| Allowance for financing receivables individually evaluated for loss | 19 | 16 |
| Total | $ 90 | $ 89 |

*Non-Accrual and Past-Due Financing Receivables*

The Company considers a financing receivable to be past due when the minimum payment is not received by the contractually specified due date. The Company generally places financing receivables on non-accrual status, which is the suspension of interest accrual, and considers such receivables to be non-performing at the earlier of the time at which full payment of principal and interest becomes doubtful or

the receivable becomes 90 days past due. Subsequently, the Company may recognize revenue on non-accrual financing receivables as payments are received, which is on a cash basis, if the Company deems the recorded financing receivable to be fully collectible; however, if there is doubt regarding the ultimate collectability of the recorded financing receivable, all cash receipts are applied to the carrying amount of the financing receivable, which is the cost recovery method. In certain circumstances, such as when the Company deems a delinquency to be of an administrative nature, financing receivables may accrue interest after becoming 90 days past due. The non-accrual status of a financing receivable may not impact a customer's risk rating. After all of a customer's delinquent principal and interest balances are settled, the Company may return the related financing receivable to accrual status.

The following table summarizes the aging and non-accrual status of gross financing receivables:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Billed:[1] | | |
| Current 1-30 days | $ 325 | $ 389 |
| Past due 31-60 days | 64 | 54 |
| Past due 61-90 days | 13 | 14 |
| Past due > 90 days | 69 | 68 |
| Unbilled sales-type and direct-financing lease receivables | 7,037 | 7,508 |
| Total gross financing receivables | $ 7,508 | $ 8,033 |
| Gross financing receivables on non-accrual status[2] | $ 187 | $ 163 |
| Gross financing receivables 90 days past due and still accruing interest[2] | $ 115 | $ 120 |

(1) Includes billed operating lease receivables and billed sales-type and direct-financing lease receivables.

(2) Includes billed operating lease receivables and billed and unbilled sales-type and direct-financing lease receivables.*Operating Leases*

Operating lease assets included in machinery and equipment in the Condensed Consolidated Balance Sheets were as follows:

| | As of | |
|---|---|---|
| | July 31, 2017 | October 31, 2016 |
| | In millions | |
| Equipment leased to customers | $ 7,745 | $ 5,467 |
| Accumulated depreciation | (3,058) | (2,134) |
| Total | $ 4,687 | $ 3,333 |

The increase in operating lease assets during the nine months ended July 31, 2017 is primarily a result of the Everett Transaction, as operating leases held with the former ES segment were treated as intercompany leases until the close of the transaction. As of April 1, 2017, these leases became third party leases held with DXC.

***Litigation and Contingencies***

HPE is involved in various lawsuits, claims, investigations and proceedings including those consisting of IP, commercial, securities, employment, employee benefits and environmental matters, which arise in the ordinary course of business. In addition, as part of the Separation and Distribution Agreements between HPE and HPI and HPE and DXC (formerly known as "Everett SpinCo, Inc."), and HPE and Seattle SpinCo, Inc., the parties to each agreement agreed to cooperate with each other in managing certain

existing litigation related to both parties' businesses. The Separation and Distribution Agreements included provisions that allocate liability and financial responsibility for pending litigation involving the parties, as well as provide for cross-indemnification of the parties against liabilities to one party arising out of liabilities allocated to the other party. The Separation and Distribution Agreements also included provisions that assign to the parties responsibility for managing pending and future litigation related to the general corporate matters of HPI (in the case of the separation of HPE from HPI) or of HPE (in the case of the separation of Everett SpinCo, Inc. and Seattle SpinCo, Inc. from HPE), in each case arising prior to the applicable separation. HPE records a liability when it believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment is required to determine both the probability of having incurred a liability and the estimated amount of the liability. HPE reviews these matters at least quarterly and adjusts these liabilities to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other updated information and events pertaining to a particular matter. Litigation is inherently unpredictable. However, HPE believes it has valid defenses with respect to legal matters pending against the Company. Nevertheless, cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies. HPE believes it has recorded adequate provisions for any such matters and, as of July 31, 2017, it was not reasonably possible that a material loss had been incurred in connection with such matters in excess of the amounts recognized in its financial statements.

*Litigation, Proceedings and Investigations*

*India Directorate of Revenue Intelligence Proceedings.* On April 30 and May 10, 2010, the India Directorate of Revenue Intelligence (the "DRI") issued show cause notices to Hewlett-Packard India Sales Private Ltd ("HP India"), a subsidiary of HPI, seven HP India employees and one former HP India employee alleging that HP India underpaid customs duties while importing products and spare parts into India and seeking to recover an aggregate of approximately $370 million, plus penalties. Prior to the issuance of the show cause notices, HP India deposited approximately $16 million with the DRI and agreed to post a provisional bond in exchange for the DRI's agreement to not seize HP India products and spare parts and to not interrupt the transaction of business by HP India.

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

HP India filed appeals of the Commissioner's orders before the Customs Tribunal along with applications for waiver of the pre-deposit of remaining demand amounts as a condition for hearing the appeals. The Customs Department has also filed cross-appeals before the Customs Tribunal. On January 24, 2013, the Customs Tribunal ordered HP India to deposit an additional $24 million against the products order, which HP India deposited in March 2013. The Customs Tribunal did not order any additional deposit to be made under the parts order. In December 2013, HP India filed applications before the Customs Tribunal seeking early hearing of the appeals as well as an extension of the stay of deposit as to HP India and the individuals already granted until final disposition of the appeals. On February 7, 2014, the application for extension of the stay of deposit was granted by the Customs Tribunal until disposal of the appeals. On October 27, 2014, the Customs Tribunal commenced hearings on the cross-appeals of the Commissioner's orders. The Customs Tribunal rejected HP India's request to remand the matter to the Commissioner on procedural grounds. The hearings were scheduled to reconvene on April 6, 2015, and again on November 3, 2015 and April 11, 2016, but were canceled at the request of the Customs Tribunal. No new hearing date has been set.

*Department of Justice, Securities and Exchange Commission Proceedings.* In April 2014, HPI and HPI subsidiaries in Russia, Poland, and Mexico collectively entered into agreements with the U.S. Department of Justice ("DOJ") and the SEC to resolve claims of FCPA violations. Pursuant to the terms of the resolutions with the DOJ and SEC, HPI was required to undertake certain compliance, reporting and cooperation obligations for a three-year period. In October of 2015, HPE contractually undertook the same compliance, reporting and cooperation obligations that were held by HPI under the DOJ resolutions for the balance of the three-year period. HPE has reached a similar agreement with the Staff of the SEC, which is set forth in an amended SEC administrative order dated July 15, 2016. HPE's obligations to the SEC expired in April 2017. HPE's obligations to the DOJ run for three years following a court proceeding held in connection with the resolution, and thus continue until September 2017.

*ECT Proceedings.* In January 2011, the postal service of Brazil, Empresa Brasileira de Correios e Telégrafos ("ECT"), notified a former subsidiary of HPI in Brazil ("HP Brazil") that it had initiated administrative proceedings to consider whether to suspend HP Brazil's right to bid and contract with ECT related to alleged improprieties in the bidding and contracting processes whereby employees of HP Brazil and employees of several other companies allegedly coordinated their bids and fixed results for three ECT contracts in 2007 and 2008. In late July 2011, ECT notified HP Brazil it had decided to apply the penalties against HP Brazil and suspend HP Brazil's right to bid and contract with ECT for five years, based upon the evidence before it. In August 2011, HP Brazil appealed ECT's decision. In April 2013, ECT rejected HP Brazil's appeal, and the administrative proceedings were closed with the penalties against HP Brazil remaining in place. In parallel, in September 2011, HP Brazil filed a civil action against ECT seeking to have ECT's decision revoked. HP Brazil also requested an injunction suspending the application of the penalties until a final ruling on the merits of the case. The court of first instance has not issued a decision on the merits of the case, but it has denied HP Brazil's request for injunctive relief. HP Brazil appealed the denial of its request for injunctive relief to the intermediate appellate court, which issued a preliminary ruling denying the request for injunctive relief but reducing the length of the sanctions from five to two years. HP Brazil appealed that decision and, in December 2011, obtained a ruling staying enforcement of ECT's sanctions until a final ruling on the merits of the case. HP Brazil expects the decision to be issued in 2017 and any subsequent appeal on the merits to last several years.

*Forsyth, et al. v. HP Inc. and Hewlett Packard Enterprise.* This purported class and collective action was filed on August 18, 2016 and an amended complaint was filed on December 19, 2016 in the United States District Court for the Northern District of California, against HPI and HPE alleging defendants violated the Federal Age Discrimination in Employment Act ("ADEA"), the California Fair Employment and Housing Act, California public policy and the California Business and Professions Code by terminating older workers and replacing them with younger workers. Plaintiffs seek to certify a nationwide collective action under the ADEA comprised of all individuals aged 40 and older who had their employment terminated by an HP entity pursuant to a work force reduction ("WFR") plan on or after December 9, 2014 for individuals terminated in deferral states and on or after April 8, 2015 in non-deferral states. Plaintiffs also seek to certify a Rule 23 class under California law comprised of all persons 40 years or older employed by defendants in the state of California and terminated pursuant to a WFR plan on or after August 18, 2012.

*Wall v. Hewlett Packard Enterprise Company and HP Inc.* This certified California class action and Private Attorney General Act action was filed against Hewlett-Packard Company on January 17, 2012 and the fifth amended (and operative) complaint was filed against HPI and HPE on June 28, 2016. The complaint alleges that the defendants paid earned incentive compensation late and failed to timely pay final wages in violation of the California Labor Code. On August 9, 2016, the court ordered the class certified without prejudice to a future motion to amend or modify the class certification order or to decertify. Trial is set to begin on January 22, 2018.

*Hewlett-Packard Company v. Oracle (Itanium).* On June 15, 2011, HPI filed suit against Oracle in Santa Clara Superior Court in connection with Oracle's March 2011 announcement that it was discontinuing software support for HPI's Itanium-based line of mission critical servers. HPI asserted, among other things, that Oracle's actions breached the contract that was signed by the parties as part of the settlement of the litigation relating to Oracle's hiring of Mark Hurd. The matter eventually progressed to trial, which was bifurcated into two phases. HPI prevailed in the first phase of the trial, in which the court ruled that

the contract at issue required Oracle to continue to offer its software products on HPI's Itanium-based servers for as long as HPI decided to sell such servers. Phase 2 of the trial was then postponed by Oracle's appeal of the trial court's denial of Oracle's "anti-SLAPP" motion, in which Oracle argued that HPI's damages claim infringed on Oracle's First Amendment rights. On August 27, 2015, the Court of Appeal rejected Oracle's appeal. The matter was remanded to the trial court for Phase 2 of the trial, which began on May 23, 2016, and was submitted to the jury on June 29, 2016. On June 30, 2016, the jury returned a verdict in favor of HPI, awarding HPI $3 billion in damages: $1.7 billion for past lost profits and $1.3 billion for future lost profits. On December 19, 2016, the trial court denied Oracle's request for a new trial. On January 17, 2017 Oracle filed a notice of appeal. On February 2, 2017, HPI filed a cross-appeal. The Company expects that any appeal could take several years to be resolved and could materially affect the amount ultimately recovered by the Company. The amounts ultimately awarded, if any, would be recorded in the period received. Pursuant to the terms of the Separation and Distribution Agreement, HPI and HPE will share equally in any recovery from Oracle once HPE has been reimbursed for all costs incurred in the prosecution of the action prior to the HPI/HPE separation on November 1, 2015.

*Network-1 Technologies, Inc. v. Alcatel-Lucent USA Inc., et al.* This patent infringement action was filed in September 2011 in the United States District Court for the Eastern District of Texas and alleges that various HPE switches and access points infringe Network-1's patent relating to the 802.3af and 802.3at "Power over Ethernet" standards. The Network-1 patent at issue expires in 2020. On June 1, 2017, the Court held a hearing on HPE's motion for summary judgment. No ruling has yet been issued. Trial is currently scheduled to begin on November 6, 2017.

*Environmental*

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

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

***Guarantees, Indemnifications and Warranties***

*Guarantees*

In the ordinary course of business, the Company may issue performance guarantees to certain of its clients, customers and other parties pursuant to which the Company has guaranteed the performance obligations of third parties. Some of those guarantees may be backed by standby letters of credit or

surety bonds. In general, the Company would be obligated to perform over the term of the guarantee in the event a specified triggering event occurs as defined by the guarantee. The Company believes the likelihood of having to perform under a material guarantee is remote.

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

*Indemnifications*

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

*General Cross-indemnification*

In connection with the Separation, the Company entered into a Separation and Distribution Agreement with HPI effective November 1, 2015 where the Company agreed to indemnify HPI, each of its subsidiaries and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to the Company as part of the Separation. HPI similarly agreed to indemnify the Company, each of its subsidiaries and each of their respective directors, officers and employees from and against all claims and liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to HPI as part of the Separation. As a result, as of July 31, 2017 and October 31, 2016, the Company has recorded both a receivable from HPI of $54 million and $56 million, respectively, and a payable to HPI of $42 million and $41 million, respectively, related to litigation matters and other contingencies.

In connection with the Everett Transaction, the Company entered into a Separation and Distribution Agreement with DXC effective April 1, 2017 where DXC agreed to indemnify HPE, each of its subsidiaries and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to DXC as part of the Everett Transaction. HPE similarly agreed to indemnify DXC, each of its subsidiaries and each of their respective directors, officers and employees from and against all claims and liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to the Company as part of the Everett Transaction. As a result, as of July 31, 2017, the Company has recorded both a receivable from DXC of $128 million and a payable to DXC of $19 million related to litigation matters and other contingencies.

In connection with the Seattle Transaction, the Company entered into a Separation and Distribution Agreement with Micro Focus effective September 1, 2017 where Micro Focus agreed to indemnify HPE, each of its subsidiaries and each of their respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to Micro Focus as part of the Seattle Transaction. HPE similarly agreed to indemnify Micro Focus, each of its subsidiaries and each of their respective directors, officers and employees from and against all claims and liabilities relating to, arising out of or resulting from, among other matters, the liabilities allocated to the Company as part of the Seattle Transaction.

*Shared Litigation with HP Inc., DXC and Seattle SpinCo*

As part of the Separation and Distribution Agreements between HPE and HPI, and HPE and DXC, and HPE and Seattle SpinCo, the parties to each agreement agreed to cooperate with each other in managing certain existing litigation related to both parties' businesses. The Separation and Distribution Agreements also included provisions that assign to the parties responsibility for managing pending and future litigation related to the general corporate matters of HPI (in the case of the separation of HPE from HPI) or of HPE (in the case of the separation of DXC from HPE and the separation of Seattle SpinCo from HPE), in each case arising prior to the applicable separation.

*Tax Matters Agreement with HPI and Other Income Tax Matters*

In connection with the Separation, the Company entered into a Tax Matters Agreement (the "Tax Matters Agreement") with HPI effective November 1, 2015 that governs the rights and obligations of the Company and HPI for certain pre-Separation tax liabilities. The Tax Matters Agreement provides that the Company and HPI will share certain pre-Separation income tax liabilities that arise from adjustments made by tax authorities to the Company and HPI's U.S. and certain non-U.S. income tax returns. In certain jurisdictions, the Company and HPI have joint and several liability for past income tax liabilities and accordingly, the Company could be legally liable under applicable tax law for such liabilities and required to make additional tax payments. In these cases, the Company records the entire liability, which is partially offset by the indemnification receivable from HPI, thereby reflecting the Company's net exposure in its Condensed Consolidated Balance Sheets.

In addition, if the Distribution of HPE's common shares to the HPI stockholders are determined to be taxable, the Company and HPI would share the tax liability equally, unless the taxability of the Distribution is the direct result of action taken by either the Company or HPI subsequent to the Distribution in which case the party causing the Distribution to be taxable would be responsible for any taxes imposed on the Distribution.

As of July 31, 2017, the Company recorded a net long-term receivable of $1.3 billion from HPI for certain tax liabilities that the Company is joint and severally liable for, but for which it is indemnified by HPI under the Tax Matters Agreement. The actual amount that the Company may receive could vary depending upon the outcome of certain unresolved tax matters, which may not be resolved for several years.

*Tax Matters Agreement with DXC and Other Income Tax Matters*

In connection with the Everett Transaction, the Company entered into a Tax Matters Agreement (the "DXC Tax Matters Agreement") with DXC effective on April 1, 2017 that governs the rights and obligations of the Company and DXC for certain pre-divestiture tax liabilities. The DXC Tax Matters Agreement generally provides that the Company will be responsible for pre-divestiture income tax liabilities that arise from adjustments made by tax authorities to the Company and DXC's U.S. and certain non-U.S. income tax returns. In certain jurisdictions the Company and DXC have joint and several liability for past income tax liabilities and accordingly, the Company could be legally liable under applicable tax law for such liabilities and required to make additional tax payments.

In addition, if the distribution of Everett's common shares to HPE's stockholders is determined to be taxable, the Company would generally bear the tax liability, unless the taxability of the distribution is the direct result of actions taken by DXC in which case DXC would be responsible for any taxes imposed on the distribution.

Upon completion of the Everett Transaction on April 1, 2017, the Company recorded a net income tax indemnification receivable from DXC for certain income tax liabilities. The actual amount that DXC may be obligated to pay the Company could vary depending upon the outcome of certain unresolved tax matters, which may not be resolved for several years. The net receivable as of July 31, 2017 was $130 million.

*Warranties*

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

The Company's aggregate product warranty liabilities as of July 31, 2017, and changes during the nine months ended July 31, 2017 were as follows:

| | Nine Months Ended July 31, 2017 |
|---|---|
| | In millions |
| Balance at beginning of period | $ 497 |
| Accruals for warranties issued | 264 |
| Adjustments related to pre-existing warranties (including changes in estimates) | (13) |
| Settlements made (in cash or in kind) | (267) |
| Balance at end of period | $ 481 |

## VI. MAXIMUM DILUTION AND NET PROCEEDS

### 6.1 Maximum Dilution

The Shares under the ESPP are offered pursuant to this prospectus to approximately 14,475 eligible employees (as of September 14, 2017) in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom. As indicated in Section 1.5 above, the maximum rate at which Participants may purchase Shares under the ESPP may not exceed $25,000 worth of Shares (based on the fair market value of the Shares determined at the time the right to purchase the Shares is granted) for each calendar year in which such right is outstanding at any time. However, there are other limitations on Share purchases which may result in Participants not being able to purchase $25,000 worth of Shares in a calendar year.

HPE's Offering Periods consist of the six-month periods commencing on each on the first trading day on or after November 1 and May 1 of each year. Assuming that (i) no other ESPP limitations are exceeded and (ii) the employees enroll in the Offering Period that begins in May 2018, each Participant would be entitled to purchase a maximum of 835 Shares in October 2018 for a maximum of $11,874 in contributions per Participant. These amounts are based on a hypothetical Share price of $14.97 (which was the closing price of the Shares on October 2, 2017, on May 1, 2018 (i.e., the first trading day of the Offering Period beginning May 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 $14.22 (95% of $14.97) on October 31, 2018 (i.e., the last trading day of the Offering Period beginning May 1, 2018).

Participants would also be able to purchase additional Shares during the next Offering Period (i.e., November 1, 2018 – April 30, 2019). Assuming that (i) no other ESPP contribution limitations are exceeded, (ii) the hypothetical Share price 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) is again $14.97 and (iii) that the hypothetical purchase price on April 30, 2019 (i.e., the last trading day of the Offering Period beginning November 1, 2018), is again $14.22 (95% of $14.97), a Participant would again be able to purchase a maximum of 835 Shares, for a maximum of $11,874. Assuming that all of the Participants would each purchase a total of 1,670 Shares in the Offering Periods beginning May 1, 2018 and November 1, 2018, the maximum number of Shares offered pursuant

to this prospectus amounts to 24,173,250 Shares (rounded down for the purpose of the calculation below).

Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 14,475 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom would all be newly issued, the holdings of a shareholder of HPE holding 1% of the total outstanding share capital of HPE as of August 31, 2017, that is 16,194,641 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:

| | **Percentage of the total outstanding Shares** | **Total number of outstanding Shares** |
|---|---|---|
| Before the issuance of Shares under the ESPP (as of August 31, 2017) | 1.00% | 1,619,464,166 |
| After issuance of 24,173,250 Shares under the ESPP | 0.99% | 1,643,637,416 |

### 6.2 Net Proceeds

Assuming, using the example above, that the approximately 14,475 eligible employees in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Romania, Slovakia, Sweden and the United Kingdom would contribute the maximum amount toward the purchase of the maximum number of Shares under the ESPP offered pursuant to this prospectus, that is, a total of $23,747 each, the gross proceeds of HPE in connection with the offer under the ESPP pursuant to this prospectus would be $343,743,615. After deducting legal and accounting expenses in connection with the offer, the net proceeds, based on the above assumptions, would be approximately $343,543,615. The net proceeds will be used for general corporate purposes.

## VII. DIRECTORS AND EXECUTIVE OFFICERS

### 7.1 Board of Directors as of September 15, 2017

| **Name** | **Age** | **HPE Director Since** | **Position** |
|---|---|---|---|
| Daniel Ammann | 45 | 2015 | Independent Director |
| Marc L. Andreessen | 46 | 2015 | Independent Director |
| Michael J. Angelakis | 53 | 2015 | Independent Director |
| Leslie A. Brun | 65 | 2015 | Independent Director |
| Pamela L. Carter | 68 | 2015 | Independent Director |
| Raymond J. Lane | 71 | 2015 | Independent Director |
| Ann M. Livermore | 59 | 2015 | Director |
| Raymond E. Ozzie | 61 | 2015 | Independent Director |
| Gary M. Reiner | 63 | 2015 | Independent Director |
| Patricia F. Russo | 64 | 2015 | Independent Chairman of the Board |
| Lip-Bu Tan | 56 | 2015 | Independent Director |

| Name | Age | HPE Director Since | Position |
|---|---|---|---|
| Margaret C. Whitman | 61 | 2015 | Director |
| Mary A. Wilderotter | 62 | 2016 | Independent Director |

***Daniel Ammann***

Mr. Ammann has served as the President of General Motors Company, an automotive company, since January 2014. From April 2011 to January 2014, Mr. Ammann served as Chief Financial Officer and Executive Vice President of General Motors. Mr. Ammann joined General Motors in May 2010 as Vice President of Finance and Treasurer, a role he served in until April 2011.

*Public Directorships* None

*Key Skills and Qualifications*

- significant operational experience in global consumer, manufacturing and financial industries
- valuable insight into customer financial services gained through his leadership over the rebuilding of the captive finance company of General Motors Company
- executive experience helping lead an international, multibillion dollar company through a financial transformation including an initial public offering
- in-depth knowledge of financial statements, instruments, and strategy from roles as Treasurer and CFO at General Motors Company

**Marc L. Andreessen**

Mr. Andreessen is a co-founder of AH Capital Management, LLC, doing business as Andreessen Horowitz, a venture capital firm founded in July 2009. From 1999 to 2007, Mr. Andreessen served as Chairman of Opsware, Inc., a software company that he co-founded. During a portion of 1999, Mr. Andreessen served as Chief Technology Officer of America Online, Inc., a software company. Mr. Andreessen co-founded Netscape Communications Corporation, a software company, and served in various positions, including Chief Technology Officer and Executive Vice President of Products, from 1994 to 1999.

*Public Directorships*

*Current Service*

- Facebook, Inc.

*Former Service*

- eBay
- Hewlett-Packard Company

*Key Skills and Qualifications*

- extensive experience as an Internet entrepreneur
- recognized expert and visionary in the IT industry
- extensive leadership, consumer industry, and technical expertise
- valuable insight and experience from serving on the boards of both public and private technology companies

**Michael J. Angelakis**

Mr. Angelakis has served as Chairman and Chief Executive Officer of Atairos Management, an investment firm, since January 2016. Additionally, Mr. Angelakis has served as a senior advisor to the executive management committee of Comcast Corporation, a media and technology company, since July 2015. Previously, Mr. Angelakis served from November 2011 to July 2015 as Vice Chairman of Comcast and from March 2007 to July 2015 as Chief Financial Officer of Comcast. From 1999 to 2007, Mr. Angelakis was a Managing Director at Providence Equity Partners, LLC, a media and communications investment firm.

*Public Directorships*

*Current Service*

- Duke Energy
- Groupon, Inc.
- TriNet Group, Inc.

*Former Service*

- NBC Universal

*Key Skills and Qualifications*

- decades of investment, financial and managerial experience in the media and telecommunications industries
- repeatedly recognized as one of America's best CFOs
- extensive understanding of the financial, operational and technological concerns important to a complex global operation

**Leslie A. Brun**

Mr. Brun has served as the Chairman and Chief Executive Officer of Sarr Group, LLC, an investment holding company, since March 2006. He is also a Senior Advisor of G100 Companies as of 2016. From August 2011 to December 2013, Mr. Brun was managing director and head of investor relations for CCMP Capital Advisors, LLC, a private equity firm. Previously, from January 1991 to May 2005, Mr. Brun served as founder, Chairman and Chief Executive Officer for Hamilton Lane Advisors, a private markets investment firm, and from April 1988 to September 1990 as co-founder and managing director of investment banking at Fidelity Bank in Philadelphia.

*Public Directorships*

*Current Service*

- CDK Global, Inc. (Chair)
- Broadridge Financial Solutions (Chair)
- Merck & Co., Inc.

*Former Service*

- Automatic Data Processing, Inc.

*Key Skills and Qualifications*

- robust business experience from a long career as an investment banker and Chief Executive Officer
- advisory experience and knowledge of corporate governance from his service as a chairman and director on various public company boards
- valuable financial, management, investor relations, and operational advice and expertise

**Pamela L. Carter**

Pamela Carter has served as President of Cummins Distribution Business, a multi-billion dollar global division of Cummins Inc., a global manufacturer of diesel engines and related technologies. She held this position from 2008 until her retirement in 2015. She served as Vice-President and then President of Cummins Filtration, and as Vice-President for EMEA, as an expatriate living in Belgium from 2000-2007. Prior to that, Ms. Carter served as Vice President and General Counsel from 1997 to 2000.

Before joining Cummins Inc., Ms. Carter was elected Attorney General of the State of Indiana from 1993 to 1997. She is the first female African American to be elected to this position in the United States.

*Public Directorships* — *Current Service*

- Spectra Energy Corp.
- CSX Corp.

*Key Skills and Qualifications*

- global, strategic, operational and transformational leadership capability and expertise
- extensive knowledge of corporate governance from her board roles including her service as Corporate Governance Chairwoman and member of the Compensation Committee at Spectra Energy Corp.

**Raymond J. Lane**

Mr. Lane served as executive Chairman of Hewlett-Packard Company from September 2011 to April 2013 and as non-executive Chairman of Hewlett-Packard Company from November 2010 to September 2011. Since April 2013, Mr. Lane has served as Partner Emeritus of Kleiner Perkins Caufield & Byers, a private equity firm, after having previously served as one of its Managing Partners from 2000 to 2013. Mr. Lane also currently serves as Managing Partner of GreatPoint Ventures, a fund focused on using resources more efficiently, living longer and healthier lives, and increasing productivity. Prior to joining Kleiner Perkins, Mr. Lane was President and Chief Operating Officer and a director of Oracle Corporation, a software company. Before joining Oracle in 1992, Mr. Lane was a senior partner of Booz Allen Hamilton, a consulting company. Prior to Booz Allen Hamilton, Mr. Lane served as a division vice president with Electronic Data Systems Corporation, an IT services company that Hewlett-Packard Company acquired in August 2008. He was with IBM Corporation from 1970 to 1977. Mr. Lane served as Chairman of the Board of Trustees of Carnegie Mellon University from July 2009 to July 2015. He also serves as Vice Chairman of Special Olympics International.

*Public Directorships* — *Former Service*

- Quest Software, Inc.
- Hewlett-Packard Company

*Key Skills and Qualifications*

- significant experience as an early stage venture capital investor, principally in the information technology industry
- valuable insight into worldwide operations, management and the development of corporate strategy
- corporate governance experience from his service on other public company boards

**Ann M. Livermore**

Ms. Livermore served as Executive Vice President of the former HP Enterprise Business from 2004 until June 2011, and served as an Executive Advisor to our Chief Executive Officer between then and 2016.

Prior to that, Ms. Livermore served in various other positions with Hewlett-Packard Company in marketing, sales, research and development, and business management since joining the company in 1982.

*Public Directorships*

*Current Service*

- United Parcel Service, Inc.
- Qualcomm

*Former Service*

- Hewlett-Packard Company

*Key Skills and Qualifications*

- extensive experience in senior leadership positions from nearly 35 years at Hewlett-Packard Company
- vast knowledge and experience in the areas of technology, marketing, sales, research and development and business management
- knowledge of enterprise customers and their IT needs
- corporate governance experience from her service on other public company boards

**Raymond E. Ozzie**

Mr. Ozzie is a software entrepreneur who early in his career created a pioneering product for communications and productivity, Lotus Notes. He most recently served as Chief Executive Officer of Talko Inc., a company delivering mobile communications applications and services for business, acquired by Microsoft Corporation in December 2015. Previously, Mr. Ozzie served as Chief Software Architect of Microsoft Corporation from 2006 until December 2010, after having served as Chief Technical Officer of Microsoft from 2005 to 2006. Mr. Ozzie joined Microsoft in 2005 after Microsoft acquired Groove Networks, Inc., a collaboration software company he founded in 1997.

*Public Directorships*

*Former Service*

- Hewlett-Packard Company

*Key Skills and Qualifications*

- recognized software industry executive and entrepreneur with significant experience in the software industry
- extensive leadership and technical expertise from positions at IBM, Microsoft, Talko, and Groove Networks

**Gary M. Reiner**

Mr. Reiner has served as Operating Partner at General Atlantic LLC, a private equity firm, since November 2011. Previously, Mr. Reiner served as Special Advisor to General Atlantic LLC from September 2010 to November 2011. Prior to that, Mr. Reiner served as Senior Vice President and Chief Information Officer at General Electric Company, a technology, media and financial services company, from 1996 until March 2010. Mr. Reiner previously held other executive positions with General Electric since joining the company in 1991. Earlier in his career, Mr. Reiner was a partner at Boston Consulting Group, a consulting company, where he focused on strategic and process issues for technology businesses.

*Public Directorships*

*Current Service*

- Box Inc.
- Citigroup Inc.

*Former Service*

- Genpact Limited
- Hewlett-Packard Company

*Key Skills and Qualifications*

- deep insight into how IT can help global companies succeed through his many years of experience as Chief Information Officer at General Electric
- decades of experience driving corporate strategy, information technology and best practices across complex organizations
- experience in private equity investing, with a particular focus on the IT industry

**Patricia F. Russo**

Ms. Russo has served as the Chair of the Board since November 2015. Previously, Ms. Russo served as the Lead Independent Director of Hewlett-Packard Company from July 2014 to November 2015. Ms. Russo served as Chief Executive Officer of Alcatel-Lucent, a communications company, from 2006 to 2008. Previously, Ms. Russo served as Chairman of Lucent Technologies Inc., a communications company, from 2003 to 2006 and Chief Executive Officer and President of Lucent from 2002 to 2006.

*Public Directorships*

*Current Service*

- Arconic Inc.
- General Motors Company
- Merck & Co., Inc.
- KKR Management LLC

*Former Service*

- Alcoa Inc.
- Hewlett-Packard Company

*Key Skills and Qualifications*

- extensive global business experience
- broad understanding of the technology industry
- strong management skills and operational expertise
- executive experience with a wide range of issues including mergers and acquisitions and business restructurings as she led Lucent's recovery through a severe industry downturn and later a merger with Alcatel
- strong leadership and corporate governance experience from robust service on other public company boards

**Lip-Bu Tan**

Mr. Tan has served as the President and Chief Executive Officer of Cadence Design Systems, an electronic design automation company, since 2009. Mr. Tan has also served as Founder and Chairman of Walden International, a venture capital firm, since 1987.

*Public Directorships*

*Current Service*

- Cadence Design Systems
- Semiconductor Manufacturing International Corp.
- Quantenna Communication, Inc.

*Former Service*

- Ambarella Inc.
- SINA
- Flextronics International
- Inphi Corporation
- United Overseas Bank in Singapore

*Key Skills and Qualifications*

- decades of experience pioneering venture capital investment in technology in the Asia-Pacific region
- corporate governance experience from service on numerous public and private boards of technology companies
- robust understanding of the electronic design and semiconductor industries
- extensive experience analyzing investments, managing companies and leading developments in the global technology industry

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

**Mary Agnes Wilderotter**

Mary Agnes Wilderotter has served as Executive Chairman of Frontier Communications Corporation, a telecommunications company, from April 2015 to April 2016. Previously, Mrs. Wilderotter served as Chairman and Chief Executive Officer of Frontier from January 2006 to April 2015. From 2004 to 2006, Mrs. Wilderotter served as President, Chief Executive Officer, and a Director of Frontier. Prior to joining Frontier, Mrs. Wilderotter served in executive and managerial roles at Wink Communications and Microsoft Corporation, both software companies and AT&T Wireless Services Inc., a telecommunications company.

*Public Directorships*

*Current Service*

- Costco Wholesale Corporation
- Juno Therapeutics Inc.
- Cadence Design Systems

*Former Service*

- Frontier Communications Corporation
- Dreamworks Animation SKG, Inc.
- Xerox Corporation
- The Procter & Gamble Company

*Key Skills and Qualifications*

- expertise leading and managing companies in the telecommunications and technology industries
- in-depth understanding of financial statements and public company audit from her role as Chief Executive Officer of Frontier Communications, Chair of the Audit Committee of Juno Therapeutics, member of the Audit Committee of Procter & Gamble, and Chair of the Finance Committee of Xerox
- strong leadership and corporate governance experience from robust service on other public company boards
- valuable insight into the financial, operational, and strategic questions addressed by the Board

### 7.2 Executive Officers as of September 15, 2017

| Name | Age | Position |
|---|---|---|
| Margaret C. Whitman | 61 | President |
| Henry Gomez | 54 | Executive Vice President, Chief Marketing and Communications Officer |
| Kirt P. Karros | 47 | Senior Vice President, Finance and Treasurer |
| Alan May | 59 | Executive Vice President, Human Resources |
| Antonio Neri | 50 | President |
| Jeff T. Ricci | 56 | Senior Vice President, Controller and Principal Accounting Officer |
| John F. Schultz | 53 | Executive Vice President, General Counsel and Secretary |
| Timothy C. Stonesifer | 50 | Executive Vice President and Chief Financial Officer |

***Margaret C. Whitman***

Ms. Whitman has served as Chief Executive Officer of HPE since November 2015. Prior to that, Ms. Whitman served as President and Chief Executive Officer of HPE from November 2015 to June 2017. Prior to that, Ms. Whitman served as President, Chief Executive Officer, and Chairman of Hewlett-Packard Company from July 2014 to November 2015, and President and Chief Executive Officer of Hewlett-Packard Company from September 2011 to November 2015. From March 2011 to September 2011, Ms. Whitman served as a part-time strategic advisor to Kleiner Perkins Caufield & Byers, a private equity firm. Previously, Ms. Whitman served as President and Chief Executive Officer of eBay Inc., an online marketplace, from 1998 to 2008. Ms. Whitman also serves as a director of The Procter & Gamble Company, a consumer goods company, DXC Technology Company, an information technology and consulting services company, Dropbox, a file hosting service company, and Teach for America. Ms. Whitman is a former director of HP, Inc., and Zipcar, Inc., a car sharing service.

***Henry Gomez***

Mr. Gomez has served as Executive Vice President, Chief Marketing and Communications Officer of HPE since November 2015. Prior to that, Mr. Gomez performed a similar role at Hewlett-Packard Company from August 2013 to November 2015. Previously, he served as Chief Communications Officer and Executive Vice President of Hewlett-Packard Company from January 2012 to July 2013. Prior to that, he ran HSG Communications, a consulting business that he founded in September 2008. He also served on the leadership team of Ms. Whitman's gubernatorial campaign from February 2009 to November 2010. From September 2011 to September 2013 he served as a director of BJ's Restaurants, Inc., a food service company.

***Kirt P. Karros***

Mr. Karros has served as Senior Vice President, Finance and Treasurer at HPE since November 2015. Prior to that, Mr. Karros performed a similar role at Hewlett-Packard Company as well as leading Investor Relations from May 2015 to October 2015. Previously, Mr. Karros served as a Principal and Managing Director of Research for Relational Investors LLC, an investment fund, from 2001 to May 2015. Mr. Karros served as a director of PMC-Sierra, a semiconductor company, from August 2013 to May 2015.

***Alan May***

Mr. May has served as Executive Vice President, Human Resources at HPE since June 2015. Before joining HPE, Mr. May served as Vice President, Human Resources at Boeing Commercial Aircraft, a division of The Boeing Company, from April 2013 to June 2015. Previously, Mr. May served as Vice

President of Human Resources for Boeing Defense, Space and Security at Boeing from April 2011 to June 2015 and as Vice President, of Compensation, Benefits and Strategy at Boeing from August 2007 to April 2011.

***Antonio Neri***

Mr. Neri has served as President at HPE since June 2017. Prior to that, Mr. Neri served as Executive Vice President and General Manager, Enterprise Group at HPE from November 2015 to May 2017. Prior to that, Mr. Neri served as Senior Vice President and General Manager, Enterprise Group at Hewlett-Packard Company from October 2014 to November 2015. Previously, he served as Senior Vice President and General Manager of the Hewlett-Packard Company Servers business from September 2013 to October 2014 and concurrently as Senior Vice President and General Manager of the Hewlett-Packard Company Networking business unit from May 2014 to October 2014. Prior to that, Mr. Neri served as Senior Vice President and General Manager of the Hewlett-Packard Company Technology Services business unit from August 2011 to September 2013 and as Senior Vice President, Customer Services for the Hewlett-Packard Company Personal Systems Group from 1995 until August 2011. From March 2012 to February 2013, Mr. Neri served as a director of MphasiS Limited, a technology company.

***Jeff T. Ricci***

Mr. Ricci has served as Senior Vice President, Controller and Principal Accounting Officer at HPE since November 2015. Prior to that, Mr. Ricci performed a similar role at Hewlett-Packard Company from April 2014 to November 2015. Previously, Mr. Ricci served as Controller and Principal Accounting Officer at Hewlett-Packard Company on an interim basis from November 2013 to April 2014. Prior to that, Mr. Ricci served as Vice President of Finance for Hewlett-Packard Company's Technology and Operations organization from May 2012 to November 2013. Mr. Ricci served as Hewlett-Packard Company's Vice President of Finance for Global Accounts and Hewlett-Packard Company Financial Services from March 2011 to May 2012 and Vice President of Finance for Hewlett-Packard Company Software from March 2009 to March 2011.

***John F. Schultz***

Mr. Schultz has served as Executive Vice President, General Counsel and Secretary of HPE since November 2015. Prior to that, Mr. Schultz performed a similar role at Hewlett-Packard Company from April 2012 to November 2015. Previously, he served as Deputy General Counsel for Litigation, Investigations and Global Functions at Hewlett-Packard Company from September 2008 to April 2012. From March 2005 to September 2008, Mr. Schultz was a partner in the litigation practice at Morgan, Lewis & Bockius LLP, a law firm, where, among other clients, he supported Hewlett-Packard Company as external counsel on a variety of litigation and regulatory matters.

***Timothy C. Stonesifer***

Mr. Stonesifer has served as Executive Vice President, Chief Financial Officer at HPE since November 2015. Prior to that, Mr. Stonesifer acted as Senior Vice President and Chief Financial Officer, Enterprise Group at Hewlett-Packard Company from February 2014 to November 2015. Before joining Hewlett-Packard Company, he served as Chief Financial Officer of General Motors International Operations, an automotive company, from May 2011 to January 2014. Previously, he served as Chief Financial Officer of Alegco Scotsman, a storage company, from June 2010 to May 2011. Prior to that, Mr. Stonesifer served as Chief Financial Officer of Sabic Innovative Plastics (formerly GE Plastics) from August 2007 to June 2010 after having served in various other positions at General Electric since joining the company in 1989.

### 7.3 Fraudulent Offences and Bankruptcy, Etc.

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

(a) been convicted in relation to fraudulent offenses;

(b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of HPE; or

(c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

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

### 7.4 Conflicts of Interest

***Director Independence***

Our Corporate Governance Guidelines provide that a substantial majority of the Board will consist of independent directors and that the Board can include no more than three directors who are not independent directors. These standards are available on our website at http://investors.hpe.com/governance/guidelines. Our director independence standards generally reflect the NYSE corporate governance listing standards. In addition, each member of the Audit Committee and the HR and Compensation ("HRC") Committee meets the heightened independence standards required for such committee members under the applicable listing standards.

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

(1) The director is, or has been within the last three years, an employee of HPE, or an immediate family member of the director is, or has been within the last three years, an executive officer of HPE.

(2) The director has been employed as an executive officer of HPE, its subsidiaries or affiliates within the last five years.

(3) The director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than $120,000 in direct compensation from HPE, other than compensation for Board service, compensation received by a director's immediate family member for service as a non-executive employee of HPE, or pension or other forms of deferred compensation for prior service with HPE that is not contingent on continued service.

(4) (A) The director or an immediate family member is a current partner of the firm that is our internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time.

(5) The director or an immediate family member is, or has been in the past three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or has served on that company's compensation committee.

(6) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, HPE for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues.

(7) The director is affiliated with a charitable organization that receives significant contributions from HPE.

(8) The director has a personal services contract with HPE or an executive officer of HPE.

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

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

In making its independence determinations, the Board considered transactions occurring since the beginning of fiscal 2014 between HPE, and/or its former parent HPI, as applicable, and entities associated with the independent directors or their immediate family members. The Board's independence determinations included consideration of the following transactions:

- Mr. Ammann is the President of General Motors Company. HPI and/or HPE have each entered into transactions for the purchase and/or sale of goods and services in the ordinary course of its business during the past three fiscal years with General Motors Company. The amount that HPI or HPE paid in each of the last three fiscal years to General Motors Company, and the amount received in each fiscal year by HPI or HPE from General Motors Company, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of General Motors Company's consolidated gross revenues.

- Mr. Angelakis is a senior advisor to the executive management committee of Comcast Corporation and until July 2015 served as Vice Chairman and Chief Financial Officer of Comcast Corporation. HPI and/or HPE have each entered into transactions for the purchase and/or sale of goods and services in the ordinary course of its business during the past three fiscal years with Comcast Corporation. The amount that HPI or HPE paid in each of the last three fiscal years to Comcast Corporation, and the amount received in each fiscal year by HPI or HPE from Comcast Corporation, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of Comcast Corporation's consolidated gross revenues.

- Ms. Carter served as a Vice President of Cummins Inc. until April 2015. HPI and/or HPE have each entered into transactions for the purchase and/or sale of goods and services in the ordinary course of its business during the past three fiscal years with Cummins Inc. The amount that HPI or HPE paid in each of the last three fiscal years to Cummins Inc., and the amount received in each fiscal year by HPI or HPE from Cummins Inc., did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of Cummins Inc.'s consolidated gross revenues.

- Mr. Tan is the President and Chief Executive Officer of Cadence Design Systems, Inc. HPI and/or HPE have each entered into transactions for the purchase and/or sale of goods and services in the ordinary course of its business during the past three fiscal years with Cadence Design Systems, Inc. The amount that HPI or HPE paid in each of the last three fiscal years to Cadence Design Systems, Inc., and the amount received in each fiscal year by HPI or HPE from Cadence Design Systems, Inc., did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of Cadence Design Systems, Inc.'s consolidated gross revenues.

- Mrs. Wilderotter's sister, Denise M. Morrison, is the President and Chief Executive Officer of Campbell Soup Company. Ms. Morrison also serves as a director of the Board of Campbell Soup Company. HPI and/or HPE have each entered into transactions for the purchase and/or sale of goods and services in the ordinary course of its business during the past three fiscal years with Campbell Soup Company. The amount that HPI or HPE paid in each of the last three fiscal years to Campbell Soup Company, and the amount received in each fiscal year by HPI or HPE from Campbell Soup Company, did not, in any of the previous three fiscal years, exceed the greater of $1 million or 2% of Campbell Soup Company's consolidated gross revenues.

- Each of Mr. Andreessen, Mr. Angelakis, Mr. Brun, Ms. Carter, Mr. Lane, Ms. Livermore, Mr. Ozzie, Mr. Reiner, Ms. Russo, Ms. Whitman and Mrs. Wilderotter, or one of their immediate family members, is a non-employee director, trustee or advisory board member of another company that did business with HPI or HPE at some time during the past three fiscal years. These business relationships were as a supplier or purchaser of goods or services in the ordinary course of business.

As a result of this review, the Board has determined the transactions and relationships described above would not interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. The Board has also determined that, with the exception of Mr. Lane and Ms. Livermore, each current non-employee director, including Mr. Ammann, Mr. Andreessen, Mr. Angelakis, Mr. Brun, Ms. Carter, Mr. Ozzie, Mr. Reiner, Ms. Russo, Mr. Tan, Mrs. Wilderotter and each of the members of the Audit Committee, the HRC Committee and the Nominating, Governance and Social Responsibility ("NGSR") Committee, has no material relationship with HPE (either directly or as a partner, stockholder or officer of an organization that has a relationship with HPE) and is independent within the meaning of our and NYSE director independence standards. The Board has determined that (i) Mr. Lane is independent by NYSE standards but not under our stricter standards because of his former role as executive chairman of the board of HPI, (ii) Ms. Livermore is not independent under either standard because she was an employee of HPE through October 31, 2016 and was an executive officer of our former parent within the last five fiscal years, and (iii) Ms. Whitman is not independent because of her status as our current President.

***Related Person Transactions Policies and Procedures***

We have adopted a written policy for approval of transactions between us and our directors, director nominees, executive officers, beneficial owners of more than five percent (5%) of the Shares, and their respective immediate family members where the amount involved in the transaction exceeds or is expected to exceed $120,000 in a single 12-month period and such "related persons" have or will have a direct or indirect material interest (other than solely as a result of being a director or a less than ten percent (10%) beneficial owner of another entity).

The policy provides that the NGSR Committee reviews certain transactions subject to the policy and decides whether or not to approve or ratify those transactions. In doing so, the NGSR Committee determines whether the transaction is in the best interests of HPE. In making that determination, the NGSR Committee takes into account, among other factors it deems appropriate:

- the extent of the related person's interest in the transaction;

- whether the transaction is on terms generally available to an unaffiliated third party under the same or similar circumstances;

- the benefits to HPE;

- the impact or potential impact on a director's independence in the event the related party is a director, an immediate family member of a director or an entity in which a director is a partner, 10% stockholder or executive officer;

- the availability of other sources for comparable products or services; and
- the terms of the transaction.

The NGSR Committee has delegated authority to the chair of the NGSR Committee to pre-approve or ratify transactions where the aggregate amount involved is expected to be less than $1 million. A summary of any new transactions pre-approved by the chair is provided to the full NGSR Committee for its review at each of the NGSR Committee's regularly scheduled meetings.

The NGSR Committee has adopted standing pre-approvals under the policy for limited transactions with related persons.

Pre-approved transactions include:

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

A summary of new transactions covered by the standing pre-approvals described in paragraphs 3 and 4 above is provided to the NGSR Committee for its review in connection with that committee's regularly scheduled meetings.

*Fiscal 2016 Related Person Transactions*

We enter into commercial transactions with many entities for which our executive officers or directors serve as directors and/or executive officers in the ordinary course of our business. All of those transactions were pre-approved transactions as defined above or were ratified by the NGSR Committee or our Parent's NGSR Committee. HPE considers all pre-approved or ratified transactions to have been at arm's-length and does not believe that any of our executive officers or directors had a material direct or indirect interest in any of such commercial transactions. In addition, Mr. Lane's daughter, Kristi Rawlinson, serves as a non-executive employee of HPE. Prior to becoming an employee in 2013, Ms. Rawlinson previously served as a consultant to ArcSight Inc. and, subsequently, HPI, following its acquisition of ArcSight. The amount received by Ms. Rawlinson in her role at HPE totaled approximately $165,000 in fiscal 2016.

*Related Party Transactions and Former Parent Company Investment*

Prior to November 1, 2015, the Company consisted of the enterprise technology infrastructure, software, services and financing businesses of former Parent and thus, transactions with former Parent were considered related party transactions. Following November 1, 2015, in connection with the Separation, the Company became an independent publicly-traded company. As a result, transactions with HPI are no longer considered related party transactions.

On October 31, 2015 and November 1, 2015, in connection with the Separation, the Company entered into several agreements with former Parent that govern the relationship between the Company and former Parent following the Distribution, including the following:

- Separation and Distribution Agreement;
- Transition Services Agreement;
- Tax Matters Agreement;
- Employee Matters Agreement;
- Real Estate Matters Agreement;
- Master Commercial Agreement; and
- IT Service Agreement.

These agreements provided the allocation between the Company and former Parent's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after the Separation. Obligations under the service and commercial contracts generally extend through five years.

*Final Cash Allocation from former Parent*

In December 2015, and in connection with the Separation and Distribution Agreement, the Company received a net cash allocation of $526 million from former Parent. The cash allocation was based on the projected cash requirements of the Company, in light of the intended investment grade credit rating, business plan and anticipated operations and activities.

*Net Transfers from former Parent*

Former Parent historically used a centralized approach to cash management and the financing of its operations. Prior to the Separation, transactions between the Company and former Parent were considered to be effectively settled for cash at the time the transaction was recorded. The net effect of these transactions is included in Net transfer from former Parent in Condensed Consolidated Statements of Cash Flows.

*Transactions with DXC*

Prior to April 1, 2017, the Company's operations were organized into five segments for financial reporting purposes, which included the Enterprise Services segment, and therefore, transactions with the segment were considered related party transactions. On April 1, 2017, HPE completed the Everett Transaction. At the time of the merger, Everett changed its name to DXC. As a result, transactions with DXC are no longer considered related party transactions. For further information, see Note 2, "Discontinued Operations" included in HPE's Form 10-Q.

***Benefits***

Our named executive officers ("NEOs") listed in the Summary Compensation Table of HPE's Definitive Proxy Statement filed with the SEC on February 6, 2017 ("HPE's Proxy Statement"), receive health and welfare benefits (including retiree medical benefits if eligibility conditions are met) under the same programs and subject to the same eligibility requirements that apply to our employees generally. We do not provide our executives, including the NEOs, with special or supplemental U.S. defined benefit pension or health benefits.

The NEOs, along with other executives who earn base pay or annual incentives in excess of certain limits under the Code, were eligible in fiscal 2016 to participate in the HPE Executive Deferred Compensation Plan (the "EDCP"). This plan was maintained to permit executives to defer a portion of their compensation and related taxation on such amounts. This is a standard benefit plan also offered by the majority of our peer group companies, and is more fully described in the "Narrative to the Fiscal 2016 Non-Qualified Deferred Compensation Table" section included in HPE's Proxy Statement. Amounts deferred or matched under the EDCP are credited with notional investment earnings based on investment options selected by the participant from among mutual and proprietary funds available to employees under the HPE 401(k) Plan. No amounts earn above-market returns.

***Perquisites***

Consistent with the practices of many of our peer group companies, we provide a small number of perquisites to our senior executives, including the NEOs, as discussed below.

We provide our NEOs with financial counseling services to assist them in obtaining professional financial advice, which is a common benefit among our peer group companies. This helps increase the understanding and effectiveness of our executive compensation program, as well as increase productivity by limiting distractions from Company responsibilities to attend to personal financial matters. The value of these services is taxable to executives.

Due to our global presence, we maintain a certain number of corporate aircraft. Personal use of these aircraft by the Chief Executive Officer is permitted under certain circumstances, subject to availability. The Chief Executive Officer may use company aircraft for personal purposes in her own discretion and, at times, is advised to use company aircraft for personal travel for security reasons. The NEOs may use company aircraft for personal purposes under certain limited circumstances, if available and approved in advance by the Chief Executive Officer. The NEOs, including the Chief Executive Officer, are taxed on the value of this personal usage according to applicable tax rules. There is no tax gross-up paid on the income attributable to this value. In fiscal 2012, Ms. Whitman entered into a "time-sharing" agreement, which has been renewed each year since and, under which she reimburses the Company for costs incurred in connection with certain personal travel on corporate aircraft above a certain amount in a given fiscal year.

For details on perquisites received during fiscal 2016, see "Executive Compensation—Summary Compensation Table" included in HPE's Proxy Statement.

***Potential Payments Upon Termination or Change in Control***

The amounts in the table on pages 83 - 84 of HPE's Proxy Statement estimate potential payments that would have been due if an NEO had terminated employment with HPE effective October 31, 2016 under each of the circumstances specified below. These amounts are in addition to benefits generally available to U.S. employees upon termination of employment, such as distributions from the HPE 401(k) Plan and payment of accrued vacation where required.

This narrative reflects plans and provisions in effect as of October 31, 2016. In fiscal 2016, Section 16 officers (including all of the NEOs) were covered by the Severance Plan for Executive Officers ("SPEO"), which was intended to protect HPE and its stockholders, and provide a level of transition assistance in the event of an involuntary termination of employment. Under the SPEO, participants who incur an involuntary termination, not for cause, and who execute a full release of claims following such termination, which release has not been revoked or attempted to be revoked, are eligible to receive severance benefits in an amount determined as a multiple of the sum of base pay and the average of the actual annual incentives paid for the preceding three years. In the case of the NEOs, the multiplier is 1.5. In the case of the Chief Executive Officer, the multiplier would have been 2.0 under the terms of the SPEO, but Ms. Whitman has elected to be eligible for the same multiplier as the other NEOs. In all cases, this benefit will not exceed 2.99 times the sum of the executive's base pay plus target annual incentive as in effect immediately prior to the termination of employment.

In addition to the cash benefit, the participants of the SPEO were eligible to receive (1) a pro-rata annual incentive for the year of termination based on actual performance results, (2) pro-rata vesting of unvested equity awards if any applicable performance conditions have been satisfied, and (3) for payment of a lump-sum health-benefit stipend of an amount equal to 18 months' COBRA premiums for continued group medical coverage for the executive and his or her eligible dependents, to the extent those premiums exceed 18 times the monthly premiums for active employees in the same plan with the same level of coverage as of the date of termination.

*Voluntary or for "cause" termination*

In general, an NEO who remained employed through October 31, 2016 (the last day of the fiscal year), but voluntarily terminated employment immediately thereafter, or was terminated immediately thereafter in a for "cause" termination, would be eligible (1) to receive his or her annual incentive amount earned for fiscal 2016 under the PfR program (subject to any discretionary downward adjustment or elimination by the HRC Committee prior to actual payment, and to any applicable clawback policy), (2) to exercise his or her vested stock options up to three months following termination, (3) to receive a distribution of vested amounts deferred or credited under the EDCP, and (4) to receive a distribution of his or her vested benefits, if any, under the HPE 401(k) Plan (and Mr. Neri would also be entitled to his pensions that are payable under the IRG and the pension programs available in the Netherlands). An NEO who terminated employment before October 31, 2016, either voluntarily or in a for "cause" termination, would generally not have been eligible to receive any amount under the PfR program with respect to the fiscal year in which the termination occurred, except that the HRC Committee has the discretion to make payment of prorated bonus amounts to individuals on leave of absence or in non-pay status, as well as in connection with certain voluntary severance incentives, workforce reductions, and similar programs.

*Not for "cause" termination*

A not for "cause" termination of an NEO who remained employed through October 31, 2016 and was terminated immediately thereafter would qualify the NEO for the amounts described above under a "voluntary" termination in addition to benefits under the SPEO if the NEO signs the required release of claims in favor of HPE.

In addition to the cash severance benefits and pro-rata equity awards payable under the SPEO, the NEO would be eligible to exercise vested stock options up to one year after termination. The NEO's equity awards that were subject to modification on May 24, 2016, would also be eligible for the treatment described under "Equity Award Modifications" included in HPE's Proxy Statement.

*Termination following a change in control*

The SPEO provides for full accelerated vesting of outstanding stock options, restricted stock units ("RSUs"), and PCSOs upon involuntary termination not for cause or voluntary termination for good reason (as defined in the plan) within 24 months after a change in control in which HPE is the survivor or the survivor assumes or replaced the equity awards ("double trigger"), with PARSUs vesting based on target performance. In situations where HPE is not the survivor and equity awards are not assumed by the surviving corporation, vesting will be automatically accelerated upon the change in control, with PARSUs vesting based upon the greater of the number of PARSUs that would vest based on actual performance and the number of PARSUs that would vest pro-rata based upon target performance. In addition, the equity awards granted to NEOs that were subject to modification on May 24, 2016, would be eligible for the treatment described under "Equity Award Modifications" included in HPE's Proxy Statement.

*Death or disability terminations*

An NEO who continued employment through October 31, 2016 and whose employment was terminated immediately thereafter due to death or disability would be eligible (1) to receive his or her full annual incentive amount earned for fiscal 2016 determined by HPE in its sole discretion, (2) to receive a

distribution of vested amounts deferred or credited under the EDCP, and (3) to receive a distribution of his or her vested benefits under the HPE 401(k) and any HPI pension plans.

Upon termination due to death or disability, equity awards held by the NEO may vest in full or in part. If termination is due to disability, stock options, RSUs, PARSUs, and PCSOs will vest in full, subject to satisfaction of applicable performance conditions, and must be exercised within three years of termination or by the original expiration date, if earlier. If termination is due to the NEO's death, stock options and PCSOs will vest in full and must be exercised within one year of termination or by the original expiration date, if earlier; RSUs will vest as to a prorated number of shares based on the number of whole calendar months worked during the total vesting period and PARSUs will vest at the end of the applicable performance period as to a prorated number of shares based on the number of whole calendar months worked during the performance period and subject to actual performance. Please see "Changes to Retirement Provisions for Equity Awards in Fiscal 2017" included in HPE's Proxy Statement for changes made for fiscal 2017.

*HPE retirement arrangements*

Effective January 1, 2016, HPE revised its retirement eligibility criteria for United States employees with respect to all equity awards then-outstanding or granted following that date. Upon retirement on or after age 55, with age plus years of service totaling at least 70 at the time of termination, HPE employees in the United States are entitled to the benefits described below. For option awards granted prior to November 1, 2016, HPE employees in the United States receive full vesting of time-vested options and time-vested RSUs granted under our stock plans with a three-year post-termination exercise period in the case of options. PCSOs will receive prorated vesting if the stock price appreciation conditions are met and may vest on a prorated basis post-termination to the end of the performance period, subject to stock price appreciation conditions and certain post-employment restrictions. For a description of the vesting treatment on retirement of time-vested equity awards granted on or after November 1, 2016, please see "Changes to Retirement Provisions for Equity Awards in Fiscal 2017" included in HPE's Proxy Statement. PARSUs (whether granted as units or stock), if any, are paid on a prorated basis to retired participants at the end of the performance period based on actual results, and bonuses, if any, under the annual incentive program may be paid in prorated amounts at the discretion of management based on actual results. If required in accordance with Section 409A of the Code, certain amounts payable upon retirement (or other termination of employment) of the NEOs and other key employees will not be paid out for at least six months following termination of employment.

The U.S. retiree medical program we sponsor for which our NEOs may be eligible provides eligible retirees with access to coverage at group rates only, with no direct subsidy provided by HPE. All NEOs could be eligible for this program if they retire from HPE on or after age 55 with at least ten years of qualifying service or a combination of age plus years of service totaling at least 80. In addition, beginning at age 45, eligible U.S. employees may participate in the HPE Retirement Medical Savings Account Plan (the "RMSA"), under which participants are eligible to receive HPE matching credits of up to $1,200 per year, beginning at age 45, and provided that, the employee's most recent hire date with HP was prior to August 1, 2008, up to a lifetime maximum of $12,000, which can be used to cover the cost of such retiree medical coverage (or other qualifying medical expenses) if the employee retires from HPE on or after age 55 with at least ten years of qualifying service or a combination of age plus years of service totaling at least 80. Mr. Neri is the only NEO currently eligible for the HPE matching credits under the RMSA. HPE continues to sponsor this program for its employees after the separation from HP.

## VIII. EMPLOYEES

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

The following table sets forth information as of December 31, 2016 concerning beneficial ownership by:

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

The information provided in the table is based on our records, information filed with the SEC and information provided to HPE, except where otherwise noted.

The number of Shares beneficially owned by each entity or individual is determined under SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any Shares as to which the entity or individual has sole or shared voting or investment power and also any Shares that the entity or individual has the right to acquire as of February 29, 2017 (60 days after December 31, 2016) through the exercise of any stock options, through the vesting and settlement of RSUs payable in shares, or upon the exercise of other rights. Beneficial ownership excludes options or other rights vesting after February 29, 2017 and any RSUs vesting or settling on or before February 29, 2017 that may be payable in cash or Shares at HPE's election. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the Shares set forth in the following table. Except as noted otherwise, the address of each person named in the table below is c/o Hewlett Packard Enterprise Company, 3000 Hanover Street, Palo Alto, California 94304, United States of America.

| NAME OF BENEFICIAL OWNER | SHARES OF COMMON STOCK BENEFICIALLY OWNED | PERCENT OF COMMON STOCK OUTSTANDING |
|---|---|---|
| **Daniel Ammann** | 4,128 | * |
| **Marc L. Andreessen**(1) | 95,722 | * |
| **Michael J. Angelakis**(2) | 38,128 | * |
| **Leslie A. Brun** | 4,128 | * |
| **Pamela L. Carter** | 4,128 | * |
| **Klaus Kleinfeld**(3) | 47,739 | * |
| **Raymond J. Lane**(4) | 523,442 | * |
| **Ann M. Livermore**(5) | 70,444 | * |
| **Raymond E. Ozzie** | 19,442 | * |
| **Gary M. Reiner**(6) | 219,216 | * |
| **Patricia F. Russo**(7) | 52,206 | * |
| **Lip-Bu Tan** | 7,694 | * |
| **Margaret C. Whitman**(8) | 8,029,653 | * |
| **Mary A. Wilderotter** | — | * |
| **Christopher P. Hsu**(9) | 631,318 | * |
| **Michael G. Nefkens**(10) | 1,596,332 | * |
| **Antonio F. Neri**(11) | 621,963 | * |
| **Timothy C. Stonesifer**(12) | 311,279 | * |
| **Robert Youngjohns**(13) | 311,871 | * |
| **All current executive officers and directors as a group (23 persons)**(14) | 14,298,063 | * |

* Represents holdings of less than 1% based on 1,664,856,442 outstanding Shares as of December 31, 2016.

(1) Includes 80,062 Shares that Mr. Andreessen elected to defer receipt of until the termination of his service as a member of the Board.

(2) Represents 38,128 Shares that Mr. Angelakis holds indirectly with his spouse.

(3) Includes 35,177 Shares that Mr. Kleinfeld has the right to acquire by exercise of stock options. Mr. Kleinfled no longer serves as a member of the Board.

(4) Includes 359,706 Shares that Mr. Lane has the right to acquire by exercise of stock options.

(5) Includes 56,727 Shares that Ms. Livermore holds indirectly through a trust with her spouse.

(6) Includes 186,840 Shares that Mr. Reiner has the right to acquire by exercise of stock options.

(7) Includes 36,888 Shares that Ms. Russo elected to defer receipt of until the termination of her service as a member of the Board.

(8) Includes 66 Shares held by Ms. Whitman indirectly through a trust and 6,733,615 Shares that Ms. Whitman has the right to acquire by exercise of stock options.

(9) Includes 446,543 Shares that Mr. Hsu has the right to acquire by exercise of stock options. Mr. Hsu is no longer an executive officer of HPE.

(10) Includes 1,012,000 Shares held by Mr. Nefkens indirectly through a trust and 1,154,044 Shares that Mr. Nefkens has the right to acquire by exercise of stock options. Mr. Nefkens is no longer an executive officer of HPE.

(11) Includes 434,128 Shares that Mr. Neri has the right to acquire by exercise of stock options.

(12) Includes 167,844 Shares that Mr. Stonesifer has the right to acquire by exercise of stock options.

(13) Includes 104,475 Shares that Mr. Youngjohns has the right to acquire by exercise of stock options. Mr. Youngjohns is no longer an executive officer of HPE.

(14) Includes 10,982,152 Shares that current executive officers and directors have the right to acquire.

## 8.2 Stock Plans (unaudited)

In conjunction with the Separation, the Company adopted the Hewlett Packard Enterprise Company 2015 Stock Incentive Plan (the "Plan"). The Plan became effective on November 1, 2015. The total number of Shares authorized under the Plan was 260 million. On January 25, 2017, the Company amended the Plan and reduced the authorized Shares to 210 million Shares. The Plan provides for the grant of various types of awards including restricted stock awards, stock options and performance-based awards. These awards generally vest over 3 years from the grant date.

In connection with the Separation, the Company granted one-time retention stock awards, with a total grant date fair value of approximately $137 million to certain executives in the first quarter of fiscal 2016. These awards generally vest over 3 years from the grant date.

### *Restricted Stock Units*

RSUs have forfeitable dividend equivalent rights equal to the dividend paid on the Shares. RSUs do not have the voting rights of the Shares, and the Shares underlying RSUs are not considered issued and outstanding upon grant. The fair value of the RSUs is the closing price of the Shares on the grant date of the award. The Company expenses the fair value of RSUs ratably over the period during which the restrictions lapse.

A summary of RSU activity is as follows:

| | Nine Months Ended July 31, 2017 | |
|---|---|---|
| | Shares | Weighted-Average Grant Date Fair Value Per Share |
| | In thousands | |
| Outstanding at beginning of period | 57,321 | $ 15 |
| Granted and assumed through acquisition[1] | 22,958 | $ 21 |
| Additional shares granted due to conversion[2] | 12,902 | $ 18 |

| | Nine Months Ended July 31, 2017 | |
|---|---|---|
| | Shares | Weighted-Average Grant Date Fair Value Per Share |
| | In thousands | |
| Vested[3] | (43,161) | $ 16 |
| Forfeited/canceled[4] | (3,204) | $ 17 |
| Outstanding at end of period | 46,816 | $ 18 |

(1) Includes approximately 11 million RSUs assumed by the Company through acquisition with a weighted-average grant date fair value of $18 per Share.

(2) Additional Shares granted as a result of the post-spin exercise price adjustments made related to the Everett Transaction, in order to preserve the intrinsic value of the awards prior to the close of the transaction.

(3) Includes approximately 9 million RSUs, with a weighted-average grant date fair value of $18 per Share, which were accelerated as part of the Everett Transaction.

(4) Includes approximately 0.3 million RSUs, with a weighted-average grant date fair value of $18 per Share, related to the former ES segment, which were canceled by HPE and assumed by DXC in connection with the Everett Transaction and in accordance with the Everett Employee Matters Agreement.At July 31, 2017, there was $417 million of unrecognized pre-tax stock-based compensation expense related to unvested RSUs, which the Company expects to recognize over the remaining weighted-average vesting period of 1.3 years.

### *Stock Options*

Stock options granted under the Company's principal equity plans are generally non-qualified stock options, but the principal equity plans permit some options granted to qualify as incentive stock options under the U.S. Internal Revenue Code. The exercise price of a stock option is equal to the closing price of the Shares on the option grant date. The majority of the stock options issued by the Company contain only service vesting conditions. The Company also issued performance-contingent stock options that vest only on the satisfaction of both service and market conditions.

A summary of stock option activity is as follows:

| | Nine months ended July 31, 2017 | | | |
|---|---|---|---|---|
| | Shares | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term | Aggregate Intrinsic Value |
| | In thousands | | In years | In millions |
| Outstanding at beginning of period | 57,498 | $ 15 | | |
| Granted and assumed through acquisition | 5,267 | $ 24 | | |
| Additional shares granted due to conversion[1] | 12,574 | $ 12 | | |
| Exercised | (22,861) | $ 13 | | |
| Forfeited/canceled/expired[2] | (8,475) | $ 16 | | |
| Outstanding at end of period[3] | 44,003 | $ 12 | 5.0 | $ 237 |
| Vested and expected to vest at end of period[3] | 43,013 | $ 12 | 4.9 | $ 233 |
| Exercisable at end of period[3] | 21,965 | $ 11 | 3.5 | $ 148 |

(1) Additional shares granted as a result of the post-spin exercise price adjustments made related to the Everett Transaction, in order to preserve the intrinsic value of the awards prior to the close of the transaction.

(2) Includes approximately 8 million stock options, with a weighted-average exercise price of $16 per share, related to the former ES segment, which were canceled by HPE and assumed by DXC in connection with the Everett Transaction and in accordance with the Everett Employee Matters Agreement.

(3) The weighted average exercise price reflects the impact of the post-spin adjustment to the exercise price related to the Everett Transaction.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value that option holders would have realized had all option holders exercised their options on the last trading day of the third quarter of fiscal 2017. The aggregate intrinsic value is the difference between the closing price of the Shares on the last trading day of the third quarter of fiscal 2017 and the exercise price, multiplied by the number of in-the-money options. The total intrinsic value of options exercised for the three and nine months ended July 31, 2017 was $47 million and $167 million, respectively.

At July 31, 2017, there was $39 million of unrecognized pre-tax, stock-based compensation expense related to stock options, which the Company expects to recognize over the remaining weighted-average vesting period of 1.4 years.

***Employee Stock Purchase Plan***

Effective November 1, 2015, the Company adopted the ESPP. The total number of Shares authorized under the ESPP was 80 million. The ESPP allows eligible employees to contribute up to 10% of their eligible compensation to purchase the Shares. The ESPP provides for a discount not to exceed 15% and an offering period of up to 24 months. The Company currently offers 6-month offering periods during which employees have the ability to purchase shares at 95% of the closing market price on the purchase date. No stock-based compensation expense was recorded in connection with those purchases, as the criteria of a non-compensatory plan were met.

## IX. WORKING CAPITAL STATEMENT

HPE believes that internally generated cash flows will be generally sufficient to support its operating businesses, capital expenditures, acquisitions, restructuring activities, remaining divestiture transaction costs, transformation costs, maturing debt, interest payments, income tax payments, in addition to any future investments and any future share repurchases, and future stockholder dividend payments, for the next twelve months. HPE expects to supplement this short-term liquidity, if necessary, by borrowing under credit facilities made available by various domestic and foreign financial institutions.

## X. SELECTED FINANCIAL INFORMATION

### 10.1 Selected Financial Data

**AUDITED SELECTED THREE-YEAR FINANCIAL DATA**
**(In millions, except per share amounts)**

The consolidated and combined statement of earnings and the consolidated balance sheets data of HPE for the fiscal years ended October 31, 2016, 2015 and 2014, set out in this prospectus have been derived from HPE's audited consolidated and combined financial statements prepared in accordance with U.S. GAAP.

| | For the fiscal years ended October 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| **Statements of Earnings:** | | | |
| Net revenue | $ 50,123 | $ 52,107 | $ 55,123 |
| Earnings from operations[(1)] | $ 4,150 | $ 1,523 | $ 2,335 |
| Net earnings[(1)] | $ 3,161 | $ 2,461 | $ 1,648 |

| | For the fiscal years ended October 31, | | |
|---|---|---|---|
| | 2016 | 2015 | 2014 |
| **Statements of Earnings:** | | | |
| Net earnings per Share: | | | |
| Basic | $ 1.84 | $ 1.36 | $ 0.91 |
| Diluted | $ 1.82 | $ 1.34 | $ 0.90 |
| Cash dividends declared per Share | $ 0.22 | $ — | $ — |
| Basic shares outstanding[2] | 1,715 | 1,804 | 1,804 |
| Diluted shares outstanding[2] | 1,739 | 1,834 | 1,834 |
| **Balance Sheets:** | | | |
| At year-end: | | | |
| Total assets[3] [8] | $ 79,679 | $ 79,916 | $ 64,626 |
| Long-term debt[4] [8] | $ 12,608 | $ 15,103 | $ 485 |
| Total debt[4] [8] | $ 16,140 | $ 15,794 | $ 1,379 |

(1) Earnings from operations and net earnings include the following items:

| | 2016 | 2015 | 2014 |
|---|---|---|---|
| Amortization of intangible assets | $ 755 | $ 852 | $ 906 |
| Restructuring charges | 1,236 | 954 | 1,471 |
| Acquisition and other related charges | 178 | 89 | 11 |
| Separation costs | 598 | 801 | — |
| Defined benefit plan settlement charges | — | 225 | — |
| Impairment of data center assets | — | 136 | — |
| Gain on H3C and MphasiS divestitures | (2,420) | — | — |
| Tax indemnification adjustments[5] | (317) | — | — |
| Loss from equity interests[6] | 93 | — | — |
| Total charges before taxes | $ 123 | $ 3,057 | $ 2,388 |
| Adjustments for taxes | (594) | (724) | (510) |
| Valuation allowances, net, and separation taxes[7] | — | (1,251) | — |
| Tax settlements[5] | 647 | — | — |
| Total charges, net of taxes | $ 176 | $ 1,082 | $ 1,878 |

(2) For comparative purposes, the number of Shares used to compute basic and diluted net earnings per Share as of October 31, 2015 is also used for the calculation of net earnings per Share for prior periods presented.

(3) Total assets increased in fiscal 2015 due to debt issuances and cash transfers from former Parent resulting from HPE's separation capitalization plan.

(4) In fiscal 2015, Total debt increased due to issuances resulting from HPE's separation capitalization plan.

(5) In fiscal 2016, Tax indemnification adjustments related to the potential settlement of certain pre-Separation Hewlett-Packard Company income tax liabilities, of which $328 million (reported within Tax indemnification adjustments) is indemnified by HPI through the Tax Matters Agreement.

(6) Represents the amortization of the basis difference resulting from the equity method investment in H3C. This amount does not include $32 million of the Company's share of H3C's net income, less $15 million for the elimination of profit on intra-entity sales.

(7) In fiscal 2015, Valuation allowances, net, and separation taxes was due to an income tax benefit of $1.8 billion, resulting from the release of valuation allowances pertaining to certain U.S. deferred tax assets, partially offset by $486 million of tax charges to record valuation allowances on certain foreign deferred tax assets.

(8) Please see footnote 1 to the Selected Quarterly Financial Data tables below regarding the reclassification of certain amounts.

## UNAUDITED PRO FORMA FINANCIAL DATA
## (In millions, except per share amounts)

The following unaudited pro forma financial information reflect the completion of the Everett Transaction and the Seattle Transaction (please refer to Element B.3 above).

Beginning in the second quarter of fiscal 2017, following the completion of the Everett Transaction, all results and balances associated with Everett are reflected in HPE's consolidated financial statements as discontinued operations. Beginning in the fourth quarter of fiscal 2017, following the completion of the Seattle Transaction, all results and balances associated with Seattle are reflected in HPE's consolidated financial statements as discontinued operations.

The unaudited pro forma condensed consolidated and combined financial statements are presented based on information available at the time and are intended for information purposes and are not intended to represent what HPE's financial position and results of operations actually would have been had the Everett Transaction and the Seattle Transaction occurred on the date indicated. In addition, the unaudited pro forma condensed consolidated and combined financial statements are not necessarily indicative of HPE’s financial position and results of operations for any future period.

***Everett Transaction***

The following unaudited pro forma consolidated financial statements for the fiscal years ended October 31, 2016 and 2015 and unaudited pro forma combined financial statement for the fiscal year ended October 31, 2014 reflect HPE's results of operations as if the Everett Transaction occurred on November 1, 2013 (the first day of HPE's fiscal 2014).

| | Pro Forma HPE | | |
|---|---|---|---|
| | For the fiscal years ended October 31, | | |
| | 2016 | 2015 | 2014 |
| **Statements of Earnings:** | | | |
| Net revenue | $ 33,192 | $ 34,383 | $ 35,126 |
| Earnings from operations | $ 4,278 | $ 2,432 | $ 3,380 |
| Net earnings from continuing operations | $ 3,438 | $ 3,182 | $ 2,704 |
| Net earnings per Share from continuing operations: | | | |
| Basic | $ 2.00 | $ 1.76 | $ 1.50 |
| Diluted | $ 1.98 | $ 1.74 | $ 1.47 |
| Cash dividends declared per Share | $ 0.22 | $ — | $ — |
| Basic shares outstanding | 1,715 | 1,804 | 1,804 |
| Diluted shares outstanding | 1,739 | 1,834 | 1,834 |

The following unaudited pro forma condensed consolidated balance sheet of HPE as of January 31, 2017 assumes the Everett Transaction occurred on January 31, 2017.

| | As of January 31, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Everett | | |
| **Balance Sheet:** | | | | |
| Cash and cash equivalents | $ 9,858 | $ — | $ 3,008 | $ 12,866 |
| Total assets | 76,662 | (10,539) | 3,407 | 69,530 |
| Long-term debt | 12,270 | (388) | — | 11,882 |
| Total debt | 15,790 | (391) | — | 15,399 |
| Total HPE stockholders' equity | 31,501 | (4,144) | 3,407 | 30,764 |

***Seattle Transaction***

The historical column in the unaudited pro forma condensed consolidated and combined financial statements reflects HPE's historical financial statements for the periods presented, adjusted for the Everett Transaction.

The following unaudited pro forma condensed consolidated financial statements of HPE for the six months ended April 30, 2017 reflect HPE's results of operations as if the Seattle Transaction occurred on November 1, 2013 (the first day of HPE's fiscal 2014).

| | Six months ended April 30, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Seattle | | |
| **Statements of Earnings:** | | | | |
| Net revenue | 15,001 | (1,406) | 115 | 13,710 |
| Earnings from operations | 638 | 49 | (39) | 648 |
| Net loss from continuing operations | $ (232) | $ 38 | $ (33) | $ (227) |
| Net loss per Share from continuing operations: | | | | |
| Basic | $ (0.14) | | | $ (0.14) |
| Diluted | $ (0.14) | | | $ (0.14) |
| Weighted-average Shares used to compute net earnings per Share from continuing operations: | | | | |
| Basic | 1,664 | $ | | 1,664 |
| Diluted | 1,664 | | | 1,664 |

The following unaudited pro forma condensed consolidated balance sheet of HPE as of April 30, 2017 assumes the Seattle Transaction occurred on April 30, 2017.

| | As of April 30, 2017 | | | |
|---|---|---|---|---|
| | Historical | Discontinued Operations | Pro Forma Adjustments | Pro Forma HPE |
| | | Seattle | | |
| **Balance Sheet:** | | | | |
| Cash and cash equivalents | $ 8,101 | $ (167) | $ 2,500 | $ 10,434 |
| Total assets | 67,470 | (10,422) | 2,460 | 59,508 |
| Long-term debt | 11,904 | — | — | 11,904 |
| Total debt | 13,914 | (1) | — | 13,913 |
| Total HPE stockholders' equity | 29,011 | (8,562) | 2,519 | 22,968 |

**UNAUDITED SELECTED QUARTERLY FINANCIAL DATA**
**(In millions, except per share amounts)**

The condensed consolidated statements of earnings of HPE for the quarterly periods ended July 31, 2017 and 2016 and the condensed consolidated balance sheets data of HPE as of July 31, 2017 and October 31, 2016, set out in this prospectus have been derived from HPE's unaudited condensed consolidated financial statements prepared in accordance with U.S. GAAP.

| | Three Months Ended July 31, | | Nine Months Ended July 31, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Statements of Earnings:** | | | | |
| Net revenue | $ 8,209 | $ 8,005 | $ 23,210 | $ 25,046 |
| Earnings from continuing operations | 147 | 2,645 | 785 | 3,568 |
| Net earnings from continuing operations | 248 | 2,457 | 16 | 3,141 |
| Net loss from discontinued operations | (83) | (185) | (196) | (282 ) |
| Net earnings (loss) | 165 | 2,272 | (180) | 2,859 |
| Net earnings (loss) per Share: | | | | |
| Basic | | | | |
| Continuing operations | $ 0.15 | $ 1.46 | $ 0.01 | $ 1.82 |
| Discontinued operations | (0.05) | (0.11) | (0.12) | (0.16) |
| Total basic net earnings (loss) per Share | $ 0.10 | $ 1.35 | $ (0.11) | $ 1.66 |
| Diluted | | | | |
| Continuing operations | $ 0.15 | $ 1.43 | $ 0.01 | $ 1.80 |
| Discontinued operations | (0.05) | (0.11) | (0.12) | (0.16) |
| Total diluted net earnings (loss) per Share | $ 0.10 | $ 1.32 | $ (0.11) | $ 1.64 |
| Cash dividends declared per Share | $ 0.065 | $ 0.055 | $ 0.260 | $ 0.220 |
| Weighted-average shares used to compute net earnings per Share | | | | |
| Basic | 1,641 | 1,681 | 1,656 | 1,722 |
| Diluted | 1,667 | 1,715 | 1,683 | 1,748 |

| | July 31, 2017 | October 31, 2016 |
|---|---|---|
| **Balance Sheets:** | | |
| Cash and cash equivalents | $ 7,757 | $ 12,987 |
| Total assets | 70,931 | 79,629 (1) |
| Long-term debt | 14,527 | 12,168 (1) |
| Total debt | 16,596 | 15,695 (1) |
| Total HPE stockholders' equity | 29,050 | 31,518 |

(1) During the first quarter of fiscal 2017, the Company adopted ASU 2015-03, which simplifies the presentation of debt issuance costs by requiring debt issuance costs to be presented as a deduction from the corresponding debt liability rather than an asset that is amortized. The Company adopted the standard retrospectively for the prior period presented.

### 10.2 Independent Registered Public Accounting Firm

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

## XI. DOCUMENTS ON DISPLAY

HPE's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available on its website at http://investors.hpe.com, as soon as reasonably practicable after HPE electronically files such reports with, or furnishes those reports to, the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at *www.sec.gov*. HPE's Corporate Governance Guidelines, Board's committee charters (including the charters of the Audit Committee, Finance and Investment Committee, HR and Compensation Committee, Technology Committee, and Nominating, Governance and Social Responsibility Committee) and code of ethics entitled "Standards of Business Conduct" are also available at that same location on its website.

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

HPE expects to issue its earnings release for the quarter and fiscal year ended October 31, 2017 in mid to late November 2017. The annual report on Form 10-K for such fiscal year will be filed with the SEC no later than January 2, 2018. These documents will be available on the websites of HPE and the SEC indicated above.

## XII. TAX CONSEQUENCES

### 13.1 Tax Consequences - Austria

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference between the fair market value of the Shares on the Purchase Date and the Purchase Price (*i.e.*, the discount). Additionally, the Participant will be subject to social insurance contributions on the discount (to the extent that he or she has not already exceeded his or her applicable contribution ceiling). The Participant also may be subject to other payroll taxes including making contributions to the fund for the promotion of house building and contributions to the chamber of employees. Under certain

circumstances, a portion of the discount may be exempt from tax. The Participant should consult with his or her personal tax advisor regarding the applicability of a tax exemption.

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sales price and the fair market value of the Shares on the Purchase Date) will be subject to capital gains tax at a flat rate or, upon application, at progressive tax rates.

**Withholding and Reporting**

The employer will withhold income tax, social insurance contributions (to the extent the applicable ceiling has not been exceeded) and other payroll taxes (to the extent applicable). The employer will report the taxable amount at the time Shares are purchased to the Austrian Tax Authorities and the Social Security Agency. The Participant is responsible for reporting and paying any tax liabilities attributable to the receipt of dividends or the sale of Shares to the Austrian Tax Authorities.

### 13.2 Tax Consequences - Belgium

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant generally is not be subject to capital gains tax under the currently applicable tax laws. Effective January 1, 2017, the sales proceeds likely will be subject to a stock exchange tax at a flat rate (limited to a maximum tax amount).

**Withholding and Reporting**

The employer will withhold and report income tax when Shares are purchased under the ESPP. The Participant is furthermore responsible for reporting the discount on his or her annual tax return as a benefit-in-kind and paying any applicable income taxes resulting from the purchase of Shares, the subsequent sale of Shares or the receipt of any dividends. The Participant must pay tax and report the sale of Shares by the end of the second month following the month of sale.

### 13.3 Tax Consequences - Bulgaria

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

The Participant likely will not be subject to tax when the Shares are purchased. However, Bulgarian tax law is not clear with respect to the taxation of purchase rights. The Participant should consult with his or her personal tax advisor regarding the tax consequences of participating in the ESPP.

**Dividends**

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

**Sale of Shares**

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

**Withholding and Reporting**

The employer is not required to withhold or report any taxes in connection with the Participant's participation in the ESPP. It is the Participant's responsibility to pay and report any taxes attributable to the receipt of dividends or the sale of Shares to the Bulgarian Tax Authorities.

### 13.4 Tax Consequences - Czech Republic

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any gain will not be subject to tax, provided that the Participant holds the Shares for more than three years or the Participant's gross annual income from the sale of Shares and other securities does not exceed a certain limit. If the Participant holds the Shares for three years or less or the Participant's gross annual income from the sale of Shares and other securities exceeds the specified limit, the Participant likely will be taxed on the difference between the sale price of the Shares and the fair market value of the Shares on the Purchase Date. Please note that the tax treatment upon the sale of Shares acquired prior to January 1, 2014 is different than the tax treatment described above.

**Withholding and Reporting**

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

### 13.5 Tax Consequences - Denmark

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

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

**Withholding and Reporting**

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

### 13.6 Tax Consequences - Finland

The following summary is based on the income tax and social security laws in effect in Finland as of the date of this prospectus. These 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 or residency after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax or social security result.

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

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

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain 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 (*e.g.*, brokerage fees); or (2) 20% of the sale price as a deemed acquisition cost (40% if the Shares are held at least ten years). The Participant will be responsible for reporting any gain on the sale of Shares and paying the applicable taxes directly to the local tax authorities.

The Participant will be subject capital gains tax on the entire gain (including tax exempt discount at purchase, if any) realized on the Shares.

**Withholding and Reporting**

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

### 13.7 Tax Consequences - France

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, any gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase) will be subject to progressive income tax (plus additional social taxes and surtax, if applicable). A portion of the social taxes paid may be deductible from the taxable income realized in the year in which the social taxes are paid. If the Participant holds the Shares for at least two years before sale, the Participant may be able to reduce the capital gain basis for personal income tax purposes.The Participant will be responsible for reporting any gain on the sale of Shares and paying the applicable taxes directly to the local tax authorities.

**Surtax**

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

[3] Once the Shares are transferred in the books of a French bank / broker, any reporting and payment obligations due upon receipt of the dividends is made directly by the French bank or broker. In any case, the Participant remains solely liable for filing his annual income tax return and paying any additional income tax due.

**Withholding and Reporting**

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

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

### 13.8 Tax Consequences - Germany

The following summary is based on the income tax and social security laws in effect in Germany as of the date of this prospectus. These 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 or residency after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax or social security result.

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

When Shares are purchased under the ESPP, the Participant will be subject to income tax on the difference (*i.e.*, the discount) between the fair market value of the Shares on the Purchase Date and the Purchase Price. Additionally, the Participant will be subject to social insurance contributions, plus a solidary surcharge and church tax (if applicable) on the discount. Pursuant to Section 3 No. 39 of the Income Tax Act (*Einkommensteuergesetz*), a certain amount of the discount per calendar year may be exempt from tax provided certain conditions are met. The Participant should consult with his or her personal tax advisor regarding the availability of this exemption.

**Dividends**

If the Participant holds Shares and HPE declares a dividend, the dividends received will be subject to income tax at a flat rate (plus solidarity surcharge and church tax, the latter if applicable). If the flat tax rate exceeds the Participant's personal income tax rate, the Participant may elect a personal assessment to apply his or her personal income tax rate. The tax base for all categories of investment income

(including, *inter alia*, dividend payments on Shares and capital gains) is determined by taking into account a lump sum deduction for income-related expenses if the Participant is taxed individually (for married taxpayers and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*), regardless of whether the Participant (i) incurred any expenses, or (ii) the expenses exceeded the deduction amount. The dividends may be subject to U.S. federal income withholding tax. The Participant may be entitled to a tax credit for the U.S. withholding taxes paid against the flat rate tax payable in Germany.

**Sale of Shares**

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

When the Participant subsequently sells the Shares purchased under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time the Shares are transferred to the Participant) will be subject to income tax at a flat rate (plus solidarity surcharge and church tax, if applicable), provided the Participant did not own 1% or more of HPE's stated capital at any time in the past five years and the Shares were not held as a business asset. However, the Participant may elect a personal assessment to apply the Participant's personal income tax rate if the flat rate exceeds his or her personal income tax rate. As outlined above, the Participant may deduct a specified amount from the Participant's total capital gains and other income from capital investments realized during the relevant tax year. This deduction is available only once per year whether for capital gains or dividends.

Also, please note that the flat tax rate does not apply to gains from the sale of Shares if the Participant holds or has held at least 1% of HPE's stated capital at any time during the last five years, or holds the Shares as a business asset. In such circumstances, 60% of the capital gain realized will be taxed at the Participant's personal income tax rate (plus solidarity surcharge and church tax, if applicable) while the remaining 40% are exempt from income tax.

**Withholding and Reporting**

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

### 13.9 Tax Consequences - Ireland

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

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

**Dividends**

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

**Sale of Shares**

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

**Withholding and Reporting**

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

### 13.10 Tax Consequences - Italy

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

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

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

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

**Dividends**

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

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

**Sale of Shares**

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

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

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

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

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

**Withholding and Reporting**

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

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

**Foreign Financial Assets Tax**

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

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

### 13.11 Tax Consequences - Netherlands

The following summary is based on the income tax and social security laws in effect in the Netherlands as of the date of this prospectus. These laws are complex and can change frequently. As a result, the

information below may be out of date when the Participant purchases Shares or sells Shares acquired under the ESPP.

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Investment Tax**

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

**Sale of Shares**

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

**Withholding and Reporting**

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

### 13.12 Tax Consequences - Poland

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

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

Participant is strongly encouraged to consult his or her personal tax advisor or the tax authorities regarding the taxable amount at the time of sale of the Shares.

**Withholding and Reporting**

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

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

### 13.13 Tax Consequences - Romania

The following summary is based on the income tax and social security laws in effect in Romania as of the date of this prospectus. These 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 Romania residents for tax purposes. If the Participant is a citizen or resident of another country for local law purposes or transfers employment or residency after the Entry Date for the applicable Purchase Period but prior to the corresponding Purchase Date, the income tax and social security information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and HPE is not in a position to assure the Participant of any particular tax or social security result.

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

When Shares are purchased under the ESPP, the Participant likely will be subject to salary income tax and to social insurance contributions on the difference between the market value and the purchase price.

**Dividends**

If the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Romania on any dividends received. In addition, the dividends will be subject to U.S. federal income withholding tax. The Participant may be entitled to a Romanian tax credit for the U.S. withholding taxes paid (but not exceeding the tax due in Romania), provided certain conditions are met. In addition, as of January 1 2017, health insurance contributions shall apply in principle on dividends. The taxable base shall be capped to five times the average gross monthly salary.

**Sale of Shares**

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

**Withholding and Reporting**

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

**13.14 Tax Consequences - Slovakia**

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

As of January 1, 2017, if the Participant holds Shares and HPE declares a dividend, the Participant will be subject to income tax in Slovakia on any dividends received. However, dividends will be subject to health insurance contributions to the extent the Participant has not already exceeded the applicable contribution ceiling. In addition, the dividends will be subject to U.S. federal income withholding tax.

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase, less expenses related to the sale of Shares). A set annual amount of the

taxable income may be exempt from income taxation under certain circumstances. The Participant also will be subject to health insurance contributions on any capital gains to the extent the Participant has not already exceeded the applicable contribution ceiling. *The Participant should consult with his or her personal tax advisor regarding the taxation at sale of Shares acquired under the ESPP.*

**Withholding and Reporting**

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

### 13.15 Tax Consequences - Sweden

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

When the Participant subsequently sells the Shares purchased under the ESPP, the Participant will be subject to capital gains tax on the gain (*i.e.*, the difference between the sale price and the fair market value of the Shares at the time of purchase). Please note that it is the average tax base (fair market value) of all Shares of the same type that constitutes the base for calculating capital gain.

**Withholding and Reporting**

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

**13.16 Tax Consequences - United Kingdom**

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

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

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

**Enrollment in the ESPP**

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

**Purchase of Shares**

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

**Dividends**

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

**Sale of Shares**

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

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

**Withholding and Reporting**

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

**EXHIBIT**

**EXHIBIT I**

# HEWLETT PACKARD ENTERPRISE COMPANY
# 2015 EMPLOYEE STOCK PURCHASE PLAN

# HEWLETT PACKARD ENTERPRISE COMPANY
# 2015 EMPLOYEE STOCK PURCHASE PLAN

## 1. PURPOSE.

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

## 2. DEFINITIONS.

(a) **"Affiliate"** shall mean any (i) Subsidiary and (ii) any other entity other than the Corporation in an unbroken chain of entities beginning with the Corporation if, at the time of the granting of the option, each of the entities, other than the last entity in the unbroken chain, owns or controls 50 percent or more of the total ownership interest in one of the other entities in such chain.

(b) **"Board"** shall mean the Board of Directors of the Corporation.

(c) **"Code"** shall mean the Internal Revenue Code of 1986, of the USA, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.

(d) **"Code Section 423 Plan"** shall mean an employee stock purchase plan which is designed to meet the requirements set forth in Code Section 423.

(e) **"Committee"** shall mean the committee appointed by the Board in accordance with Section 14 of the Plan.

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

(g) **"Compensation"** shall mean an Employee's base cash compensation (including $13^{th}/14^{th}$ month payments or similar concepts under local law), commissions and shift premiums paid on account of personal services rendered by the Employee to the Corporation or a Designated Affiliate, but shall exclude payments for overtime, incentive compensation, incentive payments and bonuses, with any modifications determined by the Committee. The Committee shall have the authority to determine

and approve all forms of pay to be included in the definition of Compensation and may change the definition on a prospective basis.

(h) **"Contributions"** shall mean the payroll deductions (to the extent permitted under applicable local law) and other additional payments that the Corporation may allow to be made by a Participant to fund the exercise of options granted pursuant to the Plan if payroll deductions are not permitted under applicable local law.

(i) **"Corporation"** shall mean Hewlett Packard Enterprise Company, a Delaware corporation.

(j) **"Designated Affiliate"** shall mean an Affiliate, whether now existing or existing in the future, that has been designated by the Committee as eligible to participate in the Plan with respect to its Employees. In the event the Designated Affiliate is not a Subsidiary, it shall be designated for participation in the Non-423 Plan.

(k) **"Employee"** shall mean an individual classified as an employee (within the meaning of Code Section 3401(c) and the regulations thereunder or as otherwise determined under applicable local law) by the Corporation or a Designated Affiliate on the Corporation's or such Designated Affiliate's payroll records during the relevant participation period. Employees shall not include individuals whose customary employment is for not more than five (5) months in any calendar year (except those Employees in such category the exclusion of whom is not permitted under applicable local law) or individuals classified as independent contractors.

(l) **"Entry Date"** shall mean the first Trading Day of the Offering Period, or, for new Participants, the first Trading Day of their first Purchase Period.

(m) **"Fair Market Value"** shall be the closing sales price for the Common Stock (or the closing bid, if no sales were reported) as quoted on the New York Stock Exchange on the date of determination if that date is a Trading Day, or if the date of determination is not a Trading Day, the last market Trading Day prior to the date of determination, as reported in The Wall Street Journal or such other source as the Committee deems reliable.

(n) **"Non-423 Plan"** shall mean an employee stock purchase plan which does not meet the requirements set forth in Code Section 423.

(o) **"Offering Period"** shall mean the period of up to 24 months during which an option granted pursuant to the Plan may be exercised. Notwithstanding the foregoing, unless changed by the Committee, "Offering Period" shall mean a period of approximately six (6) months and Offering Periods shall commence on the first Trading Day on or after November 1 and May 1 of each year and terminate on the last Trading Day, respectively, of April and October. The duration and timing of Offering Periods may be changed or modified by the Committee pursuant to Section 4. The first Offering Period shall commence on the Plan's effective date.

(p) **"Participant"** shall mean a participant in the Plan as described in Section 5 of the Plan.

(q) **"Plan"** shall mean this Employee Stock Purchase Plan which includes: (i) a Code Section 423 Plan and (ii) a Non-423 Plan.

(r) **"Purchase Date"** shall mean the last Trading Day of each Purchase Period.

(s) **"Purchase Period"** shall mean the period of six (6) months commencing after one Purchase Date and ending with the next Purchase Date, except that the first Purchase Period shall commence on the Plan's effective date. Subsequent Purchase Periods, if any, shall run consecutively after the termination of the preceding Purchase Period. Notwithstanding the foregoing, subject to the Committee's discretion to modify Offering Periods and Purchase Periods, "Purchase Period" shall mean the six (6) month period commencing on the first day of an Offering Period and ending on the last day of such Offering Period.

(t) **"Purchase Price"** shall mean 95% of the Fair Market Value of a share of Common Stock on the Purchase Date; provided however, that the Committee may elect with respect to future Offering Periods to establish the Purchase Price as a price that is no less than 85% of the Fair Market Value of a share of Common Stock on the Entry Date or the Purchase Date, whichever is lower; provided however, that the Purchase Price may be adjusted by the Committee pursuant to Sections 7.4 and 10.

(u) **"Shareowner"** shall mean a record holder of shares entitled to vote shares of Common Stock under the Corporation's by-laws.

(v) **"Subsidiary"** shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, as described in Code Section 424(f).

(w) **"Tax-Related Items"** shall mean any income tax, social insurance, payroll tax, payment on account or other tax-related items arising in relation to the Participant's participation in the Plan.

(x) **"Trading Day"** shall mean a day on which U.S. national stock exchanges and the national market system are open for trading.

## 3. ELIGIBILITY.

Any Employee regularly employed on a full-time or part-time (20 hours or more per week on a regular schedule) basis, or on any other basis as determined by the Corporation (if required under applicable local law) for purposes of the Non-423 Plan or any separate offering under the Code Section 423 Plan, by the Corporation or by any Designated Affiliate on an Entry Date shall be eligible to participate in the Plan with respect to the Offering Period commencing on such Entry

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

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

## 4. OFFERING PERIODS.

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

## 5. PARTICIPATION.

5.1 An Employee who is eligible to participate in the Plan in accordance with Section 3 may become a Participant by completing and submitting, on a date prescribed by the Committee prior to an applicable Entry Date, a completed payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other authorization stating the amount of Contributions to the Plan,

expressed as any whole percentage up to ten percent (10%) of the eligible Employee's Compensation, and Plan enrollment form provided by the Corporation or by following an electronic or other enrollment process as prescribed by the Committee. Where applicable local law prohibits payroll deductions for the purpose of the Plan, the Corporation may permit a Participant to contribute amounts to the Plan through payment by cash, check or other means set forth in the Plan enrollment form prior to each Purchase Date. An eligible Employee may authorize Contributions at the rate of any whole percentage of the Employee's Compensation, not to exceed ten percent (10%) of the Employee's Compensation. All payroll deductions may be held by the Corporation and commingled with its other corporate funds where administratively appropriate, except where applicable local law requires that Contributions to the Plan from Participants be segregated from the general corporate funds and/or deposited with an independent third party. No interest shall be paid or credited to the Participant with respect to such Contributions, unless required by local law. The Corporation shall maintain a separate bookkeeping account for each Participant under the Plan and the amount of each Participant's Contributions shall be credited to such account. A Participant may not make any additional payments into such account.

5.2 Under procedures established by the Committee, a Participant may withdraw from the Plan during an Offering Period, by completing and filing a new payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other Contribution authorization and Plan enrollment form with the Corporation or by following electronic or other procedures prescribed by the Committee, prior to the change enrollment deadline established by the Corporation. If a Participant withdraws from the Plan during an Offering Period, his or her accumulated Contributions will be refunded to the Participant without interest. The Committee may establish rules limiting the frequency with which Participants may withdraw and re-enroll in the Plan and may impose a waiting period on Participants wishing to re-enroll following withdrawal.

5.3 A Participant may change his or her rate of Contributions at any time by filing a new payroll deduction authorization or, if applicable local law prohibits payroll deductions for the purpose of the Plan, other authorization stating the amount of Contributions to the Plan expressed as any whole percentage up to ten percent (10%) of the eligible Employee's Compensation and Plan enrollment form or by following electronic or other procedures prescribed by the Committee. If a Participant has not followed such procedures to change the rate of Contributions, the rate of Contributions shall continue at the originally elected rate throughout the Offering Period and future Offering Periods. In accordance with Section 423(b)(8) of the Code, the Committee may reduce a Participant's Contributions to zero percent (0%) at any time during an Offering Period.

## 6. TERMINATION OF EMPLOYMENT.

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

## 7. OFFERING.

7.1 Subject to adjustment as set forth in Section 10, the maximum number of shares of Common Stock that may be issued pursuant to the Plan shall be 80,000,000. If, on a given Purchase Date, the number of shares with respect to which options are to be exercised exceeds the number of shares then available under the Plan, the Corporation shall make a pro rata allocation of the shares remaining available for purchase in as uniform a manner as shall be practicable and as it shall determine to be equitable. For avoidance of doubt, the limitation set forth in this Section may be used to satisfy purchases of shares of Common Stock under either the Code Section 423 Plan or the Non-423 Plan.

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

7.3 Each eligible Employee who has elected to participate as provided in Section 5.1 shall be granted an option to purchase that number of shares of Common Stock (not to exceed 5,000 shares, subject to adjustment under Section 10 of the Plan) which may be purchased with the Contributions accumulated on behalf of such Employee during each Offering Period at the Purchase Price specified in Section 7.4 below, subject to the additional limitation that no Employee shall be granted an option to purchase Common Stock under the Plan at a rate which exceeds U.S. twenty-five thousand dollars (U.S. $25,000) of the Fair Market Value of such Common Stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time. For purposes of the Plan, an option is "granted" on a Participant's Entry Date. An option will expire upon the earlier to occur of (i) the termination of a Participant's participation in the Plan; or (ii) the termination

of an Offering Period. This section shall be interpreted so as to comply with Code Section 423(b)(8).

7.4 The Committee has the right to establish that the Purchase Price under each option shall be the lower of: (i) a percentage (not less than eighty-five percent (85%)) established by the Committee ("Designated Percentage") of the Fair Market Value of the Common Stock on the Entry Date on which an option is granted, or (ii) the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date on which the Common Stock is purchased. The Committee may change the Designated Percentage with respect to any future Offering Period, but not below eighty-five percent (85%), and the Committee may determine with respect to any prospective Offering Period that the Purchase Price shall be the Designated Percentage of the Fair Market Value of the Common Stock on the Purchase Date.

7.5 For purposes of the Code Section 423 Plan only, and unless the Committee otherwise determines, each Designated Affiliate shall be deemed to participate in a separate offering from the Corporation or any other Designated Affiliate, provided that the terms of participation within any such offering are the same for all Participants in such offering, to comply with Code Section 423.

## 8. PURCHASE OF STOCK.

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

## 9. PAYMENT AND DELIVERY.

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

rights with respect to shares subject to any option granted under the Plan until the shares subject to the option have been purchased and delivered to the Participant as provided in this Section 9.

## 10. RECAPITALIZATION.

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

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

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

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

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

## 12. TRANSFERABILITY.

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

## 13. AMENDMENT OR TERMINATION OF THE PLAN.

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

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

## 14. ADMINISTRATION.

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

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

15.1 The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of local laws and procedures. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of Contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of share issuances which vary with local legal requirements.

15.2 The Committee may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations, which rules, procedures or sub-plans may be designed to be outside the scope of Code Section 423. The terms of such rules,

procedures or sub-plans may take precedence over other provisions of this Plan, with the exception of Section 7.1, but unless otherwise expressly superseded by the terms of such rule, procedure or sub-plan, the provisions of this Plan shall govern the operation of the Plan. To the extent inconsistent with the requirements of Code Section 423, such rules, procedures or sub-plans shall be considered part of the Non-423 Plan, and the options granted thereunder shall not be considered to comply with Section 423.

**16. SECURITIES LAWS REQUIREMENTS.**

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

**17. GOVERNMENTAL REGULATIONS.**

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

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

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

**19. GOVERNING LAW.**

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

**20. EFFECTIVE DATE.**

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

**21. REPORTS.**

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

## 22. DESIGNATION OF BENEFICIARY FOR OWNED SHARES.

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

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

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

Options to purchase shares under the Code Section 423 Plan are exempt from the application of Section 409A of the Code. Options granted under the Non-423 Plan are intended to be exempt from the application of Section 409A under the short-term deferral exemption and any ambiguities shall be construed and interpreted in accordance with such intent. Options granted to U.S. taxpayers under the Non-423 Plan are subject to such terms and conditions that will permit such options to satisfy the requirements of the short-term deferral exception available under Section 409A, including the requirement that the shares subject to an option be delivered within the short-term deferral period. In the case of a Participant who would otherwise be subject to Section 409A, to the extent the Corporation determines that an option or the exercise, payment, settlement or deferral thereof is subject to Section Code 409A, the option will be granted, exercised, paid, settled or deferred in a manner that will comply with Code Section 409A, including U.S. Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Anything in the foregoing to the contrary notwithstanding, the Corporation shall have no liability to a Participant or any other party if the option that is intended to be exempt from, or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Corporation with respect thereto.

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

# CROSS-REFERENCE LISTS

## ANNEX I

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

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

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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.** | **Statutory Auditors** | | |
| 2.1. | Names and addresses of the issuer's auditors | Part II - Section B | 89 (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 | 85 - 89 (10.1 Selected Financial Data) |
| 3.2. | Interim periods | Part II - Section B | 85 - 89 (10.1 Selected Financial Data) |
| **4.** | **Risk Factors** | Part II - Section A | 21 - 46 (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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| | | | 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 | 9 - 10 (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 | 21 - 46 (Risk Factors) |
| | | Part I - Section B | 9 - 10 (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:<br>a) members of the administrative, management or supervisory bodies; | Part II - Section B | 65 - 71 (7.1 Board of Directors as of September 15, 2017) and<br>82 - 83 (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 | 72 - 73 (7.2 Executive Officers as of September 15, 2017) and<br>82 - 83 (8.1 Directors' and Executive Officers' Holdings of Shares and Options) |

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| | The nature of any family relationship between any of those persons. | Part II - Section B | 73 - 74 (7.3 Fraudulent Offences and Bankruptcy, Etc.) |
| | 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:<br><br>(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. | Part II - Section B | 65 - 71 (7.1 Board of Directors as of September 15, 2017) and<br><br>72 - 73 (7.2 Executive Officers as of September 15, 2017) |
| | (b) any convictions in relation to fraudulent offences for at least the previous five years;<br><br>(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;<br><br>(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.<br><br>If there is no such information to be disclosed, a statement to that effect is to be made. | Part II - Section B | 73 - 74 (7.3 Fraudulent Offences and Bankruptcy, Etc.) |
| 14.2. | Administrative, management, and supervisory bodies and senior management conflicts of interests. | Part II - Section B | 74 - 81 (7.4 Conflicts of |

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| | | | Interest) |
| **17.** | **Employees** | | |
| 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 | 82 - 83 (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 | 83 - 85 (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 | 50 (Dividend Rights) |
| 20.8. | Legal and arbitration proceedings | Part II - Section B | 58 - 61 (Litigations and Contingencies) |
| 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 | 90 (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 | 21 - 46 (Risk Factors) |
| | | Part II - Section B | 50 (4.4. Currency of the Securities Issue, sentence beginning "Participants assume the risk (… )")<br>52 (4.6 Transferability, sentence beginning "The Participant assumes the risk (… )") |
| **3.** | **Essential Information** | | |
| 3.1 | Working capital Statement | Part II - Section B | 85 (IX. Working Capital Statement) |
| 3.2 | Capitalization and indebtedness | Part II - Section B | 53 - 64 (V. Statement of Capitalization and Indebtedness as of July 31, 2017) |
| 3.4 | Reasons for the offer and use of proceeds | Part II - Section B | 46 (1.1 Purpose of the ESPP) and<br>65 (6.2 Net |

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| | | | Proceeds) |
| | | Exhibit I | Section 1 (Purpose) |
| **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 | 49 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code) |
| | | Exhibit I | Section 2(f) (Definitions - Common Stock) |
| 4.2 | Legislation under which the securities have been created. | Part II - Section B | 49 (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 | 49 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records) |
| 4.4 | Currency of the securities issue. | Part II - Section B | 50 (4.4 Currency of the Securities Issue) |
| 4.5 | Rights attached to the securities | Part II - Section B | 50 - 52 (4.5 Rights Attached to the Securities) |
| 4.6 | Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued. | Exhibit I | Section 9 (Payment and Delivery) |
| 4.7 | Expected issue date of the securities. | Part II - Section B | 47 (1.3 Purchase Period) |

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| 4.8 | Description of any restrictions on the free transferability of the securities. | Part II - Section B | 49 (III. Delivery and Sale of the Shares) and<br><br>52 (4.6 Transferability) |
| | | Exhibit I | Section 9 (Payment and Delivery) |
| 4.9 | Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities. | Part II - Section B | 52 - 53 (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 | 90 - 109 (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 | 46 - 49 (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 | 65 (6.2 Net Proceeds) |
| | | Exhibit I | Section 7 (Offering) |
| 5.1.3 | Time period during which the offer will be open and description of the application process. | Part II - Section B | 46 - 49 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares) |
| | | Exhibit I | Section 7 (Offering) |

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| 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 | 47 (1.7 Amendment or Discontinuance of the ESPP) |
| | | Exhibit I | Section 13 |
| 5.1.5 | Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants. | Part II - Section B | 48 (2.4 Discontinuance of Participation of Participants) |
| 5.1.6 | Minimum and/or maximum amount of application. | Part II - Section B | 46 - 47 (1.2 Shares Offered Under the ESPP) and<br><br>48 (2.2 Participation of Eligible Employees) |
| | | Exhibit I | Section 7 (Offering) and<br><br>Section 3 (Eligibility) |
| 5.1.7 | Period during which an application may be withdrawn. | Part II - Section B | 48 (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 | 48 (2.3 Payroll Deductions) and<br><br>49 (III. Delivery and Sale of the Shares) |
| | | Exhibit I | Section 9 |
| **5.3** | **Pricing** | | |
| 5.3.1. | An indication of the price at which the securities will be offered. | Part II - Section B | 47 (1.4 Purchase Price) |
| | | Exhibit I | Section 7.4 (Offering) |

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| 5.3.2. | Process for the disclosure of the offer price. | Part II - Section B | 47 (1.4 Purchase Price) and<br><br>49 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records) |
| | | Exhibit I | Section 7.4 (Offering) |
| 5.3.3. | If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn. | Part II - Section B | 52 (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 | 49 (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 | 49 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code) |

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| 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 | 49 (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 | 65 (6.2 Net Proceeds) |
| **9.** | **Dilution** | | |
| 9.1. | The amount and percentage of immediate dilution resulting from the offer. | Part II - Section B | 64 - 65 (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 |