

HP INC  
Form DEF 14A  
February 26, 2018  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to §240.14a-12

**HP INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:  
Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which
- (3) the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

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To our Stockholders:

We are pleased to invite you to attend the annual meeting of stockholders of HP Inc. on Tuesday, April 24, 2018 at 2:00 p.m., Pacific Time. This year's annual meeting will again be a virtual meeting of stockholders, conducted via live audio webcast. You will be able to attend the annual meeting of stockholders online and submit questions during the meeting by visiting [www.hpannualmeeting.com](http://www.hpannualmeeting.com) or [www.hp.onlineshareholdermeeting.com](http://www.hp.onlineshareholdermeeting.com). You will also be able to vote your shares electronically at the annual meeting (other than shares held through our 401(k) Plan, which must be voted prior to the meeting).

We are embracing the latest technology to provide expanded access, improved communication and cost savings for our stockholders and the Company. As we've learned, hosting a virtual meeting enables increased stockholder attendance and participation from locations around the world. In addition, the online format allows us to communicate more effectively via a pre-meeting forum that you can enter by visiting [www.hpannualmeeting.com](http://www.hpannualmeeting.com) or [www.proxyvote.com/HP](http://www.proxyvote.com/HP).

Further details about how to attend the meeting online and the business to be conducted at the annual meeting are included in the accompanying Notice of Annual Meeting and Proxy Statement.

We are again providing access to our proxy materials online under the U.S. Securities and Exchange Commission's "notice and access" rules. As a result, we are mailing to many of our stockholders a notice instead of a paper copy of this proxy statement and our 2017 Annual Report. The notice contains instructions on how to access documents online. The notice also contains instructions on how stockholders can receive a paper copy of our materials, including this proxy statement, our 2017 Annual Report, and a form of proxy card or voting instruction card. Those who do not receive a notice, including stockholders who have previously requested to receive paper copies of proxy materials, will receive a paper copy by mail unless they have previously requested delivery of materials electronically. This distribution process is more resource- and cost-efficient.

Your vote is important. Regardless of whether you participate in the annual meeting, we hope you vote as soon as possible. You may vote by proxy online or by phone, or, if you received paper copies of the proxy materials by mail, you may also vote by mail by following the instructions on the proxy card or voting instruction card. Voting online or by phone, written proxy or voting instruction card ensures your representation at the annual meeting regardless of whether you attend the virtual meeting.

Thank you for your ongoing support of, and continued interest in, HP Inc.

Sincerely,

**Charles "Chip" V. Bergh**  
Chairman of the Board

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1501 Page Mill Road  
Palo Alto, California 94304  
(650) 857-1501

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

This notice of annual meeting, proxy statement and form of proxy for HP Inc. (the “Company”) are being distributed and made available on or about February 26, 2018.

**Time and Date**

2:00 p.m., Pacific Time, on Tuesday, April 24, 2018

**Place**

Online at [www.hpannualmeeting.com](http://www.hpannualmeeting.com) or [www.hp.onlineshareholdermeeting.com](http://www.hp.onlineshareholdermeeting.com)

**Items of Business**

**Management Proposals**

- (1) To elect the 10 directors named in this proxy statement
- (2) To ratify the appointment of the independent registered public accounting firm for the fiscal year ending October 31, 2018
- (3) To approve, on an advisory basis, the Company’s executive compensation (“say on pay” vote)

**Stockholder Proposals**

- (4) To consider and vote on a stockholder proposal requesting stockholders’ right to act by written consent, if properly presented at the annual meeting
- (5) Such other business as may properly come before the meeting

**Adjournments and Postponements**

Any action on the items of business described above may be considered at the annual meeting at the time and on the date specified above or at any time and date to which the annual meeting may be properly adjourned or postponed.

**Record Date**

You are entitled to vote only if you were an HP Inc. stockholder as of the close of business on February 23, 2018.

By order of the Board of Directors,

**Kim M. Rivera**

Chief Legal Officer, General Counsel and Secretary

**Voting**

**Internet**

[www.hpannualmeeting.com](http://www.hpannualmeeting.com)  
or [www.proxyvote.com/HP](http://www.proxyvote.com/HP)  
prior to the meeting.  
During the meeting please visit  
[www.hpannualmeeting.com](http://www.hpannualmeeting.com) or  
[www.hp.onlineshareholdermeeting.com](http://www.hp.onlineshareholdermeeting.com)

**Telephone**

1-800-690-6903

**Mail**

You can vote by mail by requesting a paper copy of the materials, which will include a proxy card. Return the card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

Your vote is very important. Regardless of whether you plan to virtually attend the annual meeting, we hope you will vote as soon as possible. You may vote your shares over the Internet or via a toll-free telephone number. If you received a paper copy of a proxy or voting instruction card by mail, you may submit your proxy or voting instruction card for the annual meeting by completing, signing, dating and returning your proxy or voting instruction card in the pre-addressed envelope provided. Stockholders of record and beneficial owners will be able to vote their shares electronically at the annual meeting (other than shares held through the HP Inc. 401(k) Plan, which must be voted prior to the meeting). For specific instructions on how to vote your shares, please refer to the

section entitled *Questions and Answers—Voting Information* beginning on page 62 of the proxy statement.

#### **Virtual Meeting Admission**

Stockholders of record as of February 23, 2018, will be able to participate in the annual meeting by visiting our annual meeting website [www.hpannualmeeting.com](http://www.hpannualmeeting.com) or [www.hp.onlineshareholdermeeting.com](http://www.hp.onlineshareholdermeeting.com). To participate in the annual meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials, on your proxy card or on the instructions that accompanied your proxy materials.

The annual meeting will begin promptly at 2:00 p.m., Pacific Time. Online check-in will begin at 1:30 p.m., Pacific Time, and you should allow ample time for the online check-in procedures.

#### **Annual Meeting Website and Pre-Meeting Forum**

The online format used by HP Inc. for the annual meeting also allows us to communicate more effectively with you. Stockholders can access our pre-meeting forum, where you can submit questions in advance of the annual meeting, by visiting our annual meeting website at [www.hpannualmeeting.com](http://www.hpannualmeeting.com) or [www.proxyvote.com/HP](http://www.proxyvote.com/HP). Stockholders can also access copies of our proxy statement and annual report at the annual meeting website.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on April 24, 2018.** The definitive proxy statement and HP Inc.'s 2017 Annual Report are available electronically at [www.proxyvote.com/HP](http://www.proxyvote.com/HP).

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The following is a summary of certain key disclosures in our proxy statement. This is only a summary, and it may not contain all of the information that is important to you. For more complete information, please review the proxy statement as well as our 2017 Annual Report, which includes our Annual Report on Form 10-K/A. References to “HP,” “the Company,” “we,” “us” or “our” refer to HP Inc. (formerly known as Hewlett-Packard Company (“HP Co.”)).

**Election of Directors**

The Board recommends a vote FOR each director nominee

Our Board is committed to independent oversight of HP.

9 of our 10 director nominees are independent and our Board is led by an independent Chairman.

Key information regarding all of our 10 Board nominees is summarized in the table below.

Further information on page 9.

Name	Age	HP Director Since	Committees	Independent	Other Current Public Company/ Public Registrant Boards
<b>Aida M. Alvarez</b> Chair, Latino Community Foundation	68	2016	HRC NGSR	YES	K12 Inc.
<b>Shumeet Banerji</b> Co-Founder and Partner, Condorcet, LP	58	2011	HRC NGSR (Chair)	YES	Reliance Industries Ltd.
<b>Robert R. Bennett</b> Managing Director, Hilltop Investments, LLC	59	2013	AC FIT (Chair)	YES	Discovery Communications, Inc. Liberty Media Corporation
<b>Charles “Chip” V. Bergh</b> President and Chief Executive Officer, Levi Strauss & Co.	60	2015	HRC NGSR	YES	Levi Strauss & Co.
<b>Stacy Brown-Philpot</b> Chief Executive Officer, TaskRabbit	42	2015	AC NGSR	YES	Nordstrom, Inc.
<b>Stephanie A. Burns</b> Former Chief Executive Officer and Chairman, Dow Corning	63	2015	FIT HRC (Chair)	YES	Corning Incorporated Kellogg Company
<b>Mary Anne Citrino</b> Senior Advisor and former Senior Managing Director, The Blackstone Group	58	2015	AC (Chair) FIT	YES	Dollar Tree, Inc. Royal Ahold Delhaize Alcoa Corporation
<b>Stacey Mobley</b> Former Senior Vice President, Chief Administrative Officer and General Counsel, E.I. du Pont de Nemours and Company	72	2015	HRC NGSR	YES	None
<b>Subra Suresh</b> President, Nanyang Technological University	61	2015	AC FIT	YES	None
<b>Dion J. Weisler</b> President and Chief Executive Officer, HP Inc.	50	2015		NO	Thermo Fisher Scientific Inc.

AC – Audit  
Committee

FIT – Finance, Investment and  
Technology Committee

HRC – HR and Compensation  
Committee

NGSR – Nominating, Governance and Social  
Responsibility Committee

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Proxy Statement Summary

Board composition

Independence

Gender diversity

Tenure (inc. HP Co. tenure)

Governance Highlights

**Independent Board Leadership**

Robust board oversight and leadership by an independent Chairman (more details beginning on page 18). Our independent Chairman participates in a robust stockholder outreach program. Our independent Chairman leads and coordinates the annual performance evaluation of the CEO. Our independent Chairman oversees the Board and committee evaluations and recommends changes to improve Board, committee, and individual director effectiveness.

**Other Governance Best Practices**

Our Bylaws provide our stockholders with a proxy access right. All members of our committees are independent. Our stockholders owning 25% or more of our common stock have a right to call special meetings. Directors are elected annually by majority vote in uncontested director elections. Each director nominee has agreed to resign from the Board in the event that he or she fails to receive a majority vote. We have a robust stockholder and investor outreach program. Non-employee directors are expected to own Company stock equal to at least five times their annual cash Board retainer within five years of joining the Board.

**Ratification of Independent Registered Public Accounting Firm**

The Board recommends a vote FOR this Proposal

The Audit Committee of the Board has selected Ernst & Young LLP to act as HP's registered public accounting firm for the fiscal year ending October 31, 2018, and seeks ratification of the selection.

Further information on page 29.

**Advisory Vote to Approve Executive Compensation ("Say on Pay" Vote)**

The Board recommends a vote FOR this Proposal

Our Board and the HRC Committee are committed to excellence in corporate governance and to an executive compensation program that aligns the interests of our executives with those of our stockholders. To fulfill this mission, we have a pay-for-performance philosophy that forms the foundation for decisions regarding executive compensation.

Our compensation programs have been structured to balance near-term results with long-term success, and enable us to attract, retain, focus, and reward our executive team for delivering stockholder value.

Further information, including an overview of the compensation of our NEOs, on page 31.



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**Stockholder Proposal Requesting Stockholders' Right to Act by Written Consent**

The Board recommends a vote AGAINST this Proposal

This stockholder proposal requests that HP's Board undertake such steps as may be necessary to permit written consent by stockholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all stockholders entitled to vote thereon were present and voting.

The Board believes the adoption of this proposal is unnecessary because of HP's commitment to good corporate governance and the existing right of stockholders to call a special meeting of stockholders. Furthermore, the Board believes that the written consent proposal would circumvent the protections, procedural safeguards and advantages provided to all stockholders by stockholder meetings.

Further information on page 58.

**Business Overview and Performance**

HP Inc. is comprised of the following business segments: Personal Systems, Printing, and Corporate Investments. In fiscal 2017, having successfully executed and transitioned our company through the largest corporate separation in history, our objective was to stabilize our core Personal Systems and Printing businesses while investing strategically to fuel growth and capture the future.

Our continued efforts resulted in the following accomplishments:

Delivered consistent revenue growth in Personal Systems, driven by innovation and focus on strategic growth areas

Revenue growth in Printing for fiscal 2017 compared to fiscal 2016, stabilizing supplies and expanding our A3 copier portfolio with our agreement to acquire Samsung Electronics Co., Ltd.'s printer business, gaining momentum in a key growth opportunity for the Printing business

Turned our Multi-Jet Fusion 3D printing technology into a real business with global scale, strong unit placement, and an expanded global open materials ecosystem

Returned over \$2 billion of capital to stockholders in the form of dividends and share repurchases.

In a challenging global macroeconomic and foreign currency environment, our fiscal 2017 results for the annual incentive plan included:

**in Corporate Revenue**

(as defined on page 37) compared to a target goal of \$46.0 billion under our annual incentive plan.

**in Corporate Net Earnings**

(as defined on page 37) compared to a target goal of \$2.9 billion under our annual incentive plan.

**Corporate Free Cash Flow**

(as a percentage of revenue; as defined on page 37) compared to a target goal of 5.3% under our annual incentive plan.

Through discipline and focus, we out-performed our competition and gained market share throughout the year. We have momentum as we enter fiscal 2018 with the best product lineup ever and a consistent strategy to further stabilize the core, drive profitable growth and invest in the future. We have an incredible channel network, passionate employees and a culture committed to keep reinventing.



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**Executive Compensation Philosophy  
Alignment with Stockholders and Compensation Best Practices**

**Pay-for-Performance**

The majority of target total direct **compensation** for executives is **performance-based** as well as **equity-based** to **align executives' rewards with stockholder value**

Total direct compensation is **targeted** at or near the market **median Actual realized** total direct compensation and **pay positioning** are designed to fluctuate with, and be **commensurate with, actual annual and long-term performance recognizing company-wide, business, and individual results**

**Incentive awards** are heavily dependent upon our stock performance, and are measured against **objective financial metrics** that we believe **link** either directly or indirectly **to the creation of value** for our stockholders. In addition, 25% of our target annual incentives are contingent upon the achievement of qualitative objectives that we believe will contribute to our long-term success

We balance growth, cash flow, revenue and profit objectives, as well as short- and long-term objectives to reward for overall performance that does not over-emphasize a singular focus  
A significant portion of our long-term incentives are delivered in the form of performance-adjusted restricted stock units, referred to as **"PARSUs,"** which vest only upon the achievement of **relative TSR** and **EPS** objectives

We validate our **pay-for-performance** relationship on an annual basis

**Corporate Governance**

We **do not utilize executive employment contracts for senior officers**

We **devote significant time** to management succession planning and leadership development efforts

We maintain a **market-aligned** severance policy for executives and a conservative change in control policy which requires a double trigger for execution

The HRC Committee utilizes an **independent** compensation consultant

Our compensation programs **are designed to mitigate compensation-related risk to the organization from both financial and reputational perspectives**

We maintain strong **stock ownership guidelines** for executive officers and non-employee directors

We **prohibit** executive officers and directors from engaging in any form of **hedging** transaction, holding HP securities in margin accounts and **pledging** stock as collateral for loans in a manner that could create compensation-related risk for the Company

We conduct a robust **stockholder outreach** program throughout the year

We **disclose** our corporate performance goals and achievements relative to these goals

06 [www.hpannualmeeting.com](http://www.hpannualmeeting.com)

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**Components of Compensation**

Our primary focus in compensating executives is on the longer-term and performance-based elements of compensation. The table below shows our pay components, along with the role and factors for determining each pay component. The percentages are based on the average percentage among the NEOs.

<b>Pay Component</b>	<b>Role</b>	<b>Determination Factors</b>
<b>Base Salary</b>	Fixed portion of annual cash income	Value of role in competitive marketplace Value of role to the Company Skills and performance of individual compared to the market as well as others in the Company
<b>Annual Incentive</b> <i>(i.e., Pay-for-Results ("PFR"))</i>	Variable portion of annual cash income Focus executives on annual objectives that support the long-term strategy and creation of value	Target awards based on competitive marketplace and level of position Actual awards based on achievement against annual corporate, business unit, and individual goals
<i>Payments to executives for annual PFR incentive purposes are made under the Stock Incentive Plan (the "Plan")</i>		
<b>Long-term Incentives</b>	Reinforce need for long-term sustained performance Align interests of executives and stockholders, reflecting the time-horizon and risk to investors Encourage equity ownership Encourage retention	Target awards based on competitive marketplace, level of position, skills and performance of the executive Actual values based on performance against corporate goals and total stockholder returns ("TSR") performance
Restricted Stock Units ("RSUs") Performance-Adjusted Restricted Stock Units ("PARSUs")		
<b>All others:</b>	Support the health and security of our executives and their ability to save on a tax-deferred basis Enhance executive productivity	Competitive marketplace Level of executive Standards of best-in-class governance Performance-based pay
Benefits Perquisites Severance protection		

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