

HEWLETT PACKARD CO  
Form DEF 14A  
January 29, 2008

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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

**HEWLETT-PACKARD COMPANY**

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(Name of Registrant as Specified In Its Charter)

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(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:

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**Mark V. Hurd**

Chairman, Chief Executive Officer  
and President

**Hewlett-Packard Company**

3000 Hanover Street  
Palo Alto, CA 94304  
www.hp.com

To our Stockholders:

I am pleased to invite you to attend the annual meeting of stockholders of Hewlett-Packard Company to be held on Wednesday, March 19, 2008 at 2 p.m., local time, at the Seaport World Trade Center, 200 Seaport Boulevard, Boston, Massachusetts.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying notice of annual meeting and proxy statement.

This year, we are pleased to be using the new U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our stockholders a notice instead of a paper copy of this proxy statement and our 2007 Annual Report. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each of those stockholders can receive a paper copy of our proxy materials, including this proxy statement, our 2007 Annual Report and a form of proxy card or voting instruction card. All stockholders who do not receive a notice will receive a paper copy of the proxy materials by mail. We believe that this new process will conserve natural resources and reduce the costs of printing and distributing our proxy materials.

Your vote is important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote by proxy over the Internet or by telephone, or, if you received paper copies of the proxy materials by mail, you can also vote by mail by following the instructions on the proxy card or voting instruction card. Voting over the Internet, by telephone or by written proxy or voting instruction card will ensure your representation at the annual meeting regardless of whether you attend in person.

Thank you for your ongoing support of and continued interest in Hewlett-Packard Company.

Sincerely,

**Mark V. Hurd**

Chairman, Chief Executive Officer  
and President

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2008 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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## HEWLETT-PACKARD COMPANY

3000 Hanover Street  
Palo Alto, California 94304  
(650) 857-1501

### NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

- Time and Date** 2:00 p.m., local time, on Wednesday, March 19, 2008
- Place** Seaport World Trade Center, 200 Seaport Boulevard, Boston, Massachusetts
- Items of Business**
- (1) To elect directors
  - (2) To ratify the appointment of the independent registered public accounting firm for the fiscal year ending October 31, 2008
  - (3) To consider 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 stockholder as of the close of business on January 22, 2008.
- Meeting Admission** You are entitled to attend the annual meeting only if you were an HP stockholder as of the close of business on January 22, 2008 or hold a valid proxy for the annual meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record or hold your shares through the Hewlett-Packard Company 401(k) Plan or the Hewlett-Packard Company 2000 Employee Stock Purchase Plan, also known as the Share Ownership Plan, your ownership as of the record date will be verified prior to being admitted to the meeting. If you are not a stockholder of record but hold shares through a broker, trustee or nominee, you should provide proof of beneficial ownership as of the record date, such as your most recent account statement prior to January 22, 2008 or similar evidence of ownership. If you do not provide photo identification and comply with the other procedures outlined above, you will not be admitted to the annual meeting.
- The annual meeting will begin promptly at 2:00 p.m., local time. Check-in will begin at 12:30 p.m., local time, and you should allow ample time for the check-in procedures.
- Voting** **Your vote is very important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible. You may vote your shares via a toll-free telephone number or over the Internet. 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. For specific instructions on how to vote your shares, please refer to the section entitled *Questions and Answers Voting Information* beginning on page 4 of this proxy statement.**

By order of the Board of Directors,

MICHAEL J. HOLSTON  
Executive Vice President, General Counsel and Secretary

*This notice of annual meeting and proxy statement and form of proxy are being distributed and made available on or about January 29, 2008.*

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**QUESTIONS AND ANSWERS**

**Proxy Materials**

**1. Why am I receiving these materials?**

The Hewlett-Packard Company Board of Directors has made these materials available to you on the Internet or delivered paper copies of these materials to you by mail in connection with HP's annual meeting of stockholders, which will take place on Wednesday, March 19, 2008. As a stockholder, you are invited to attend the annual meeting and are entitled to and requested to vote on the items of business described in this proxy statement. This proxy statement includes information that we are required to provide to you under the rules of the U.S. Securities and Exchange Commission and that is designed to assist you in voting your shares.

**2. What is included in the proxy materials?**

The proxy materials include:

Our proxy statement for the annual meeting of stockholders; and

Our 2007 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended October 31, 2007.

If you received a paper copy of these materials by mail, the proxy materials also include a proxy card or a voting instruction card for the annual meeting.

**3. What information is contained in this proxy statement?**

The information in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, HP's Board and Board committees, the compensation of directors and certain current and former executive officers for fiscal 2007 and other required information.

**4. Why did I receive a notice in the mail regarding the Internet availability of the proxy materials this year instead of a paper copy of the proxy materials?**

This year, we are pleased to be using the new U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our stockholders a notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the notice. In addition, the notice contains instructions on how stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

**5. Why didn't I receive a notice about the Internet availability of the proxy materials?**

We are providing some of our stockholders, including stockholders who have previously requested to receive paper copies of the proxy materials and some of our stockholders who are living outside of the United States or who are participants in the Hewlett-Packard Company 401(k) Plan, with paper copies of the proxy materials instead of a notice about the Internet availability of the proxy materials.

**6. How can I access the proxy materials over the Internet?**

Your notice about the Internet availability of the proxy materials, proxy card or voting instruction card will contain instructions on how to:

View our proxy materials for the annual meeting on the Internet; and

Instruct us to send our future proxy materials to you electronically by e-mail.

Our proxy materials are also available on our website at [www.hp.com/investor/stockholdermeeting2008](http://www.hp.com/investor/stockholdermeeting2008).

Choosing to receive your future proxy materials by e-mail will help us conserve natural resources and reduce the costs of printing and distributing our proxy materials. If you choose to receive future proxy materials by e-mail, you will receive an e-mail with instructions containing a link to the website where those materials are available and a link to the proxy voting website. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

**7. How may I obtain a paper copy of the proxy materials?**

Stockholders receiving a notice about the Internet availability of the proxy materials will find instructions about how to obtain a paper copy of the proxy materials on their notice. All stockholders who do not receive the notice will receive a paper copy of the proxy materials by mail.

**8. I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?**

If you share an address with another stockholder, you may receive only one set of proxy materials unless you have provided contrary instructions. If you wish to receive a separate set of proxy materials now, please request the additional copy by contacting Innisfree at:

(877) 750-5838 (U.S. and Canada)  
(412) 232-3651 (International)  
E-mail: [info@innisfreema.com](mailto:info@innisfreema.com)

A separate set of proxy materials will be sent promptly following receipt of your request.

If you are a stockholder of record and wish to receive a separate set of proxy materials in the future, please call Computershare Investor Services, LLC ("Computershare") at:

(800) 286-5977 (U.S. and Canada)  
(312) 360-5138 (International)

If you are the beneficial owner of shares held through a broker, trustee or other nominee and you wish to receive a separate set of proxy materials in the future, please call Broadridge Financial Solutions, Inc. at:

(800) 542-1061

All stockholders also may write to us at the address below to request a separate copy of these materials:

Hewlett-Packard Company  
Attn: Investor Relations  
3000 Hanover Street  
Palo Alto, California 94304

**9. What should I do if I receive more than one notice about the Internet availability of the proxy materials or more than one paper copy of the proxy materials?**

You may receive more than one notice or more than one paper copy of the proxy materials, including multiple paper copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate notice or a separate voting instruction card for each brokerage account in which you hold shares. If you are a stockholder of record and your shares are registered in more than one name, you may receive more than one notice or more than one proxy card. To vote all of your shares by proxy, you must complete, sign, date and return each proxy card and voting instruction card that you receive and vote over the Internet the



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shares represented by each notice that you receive (unless you have requested and received a proxy card or voting instruction card for the shares represented by one or more of those notices).

### 10. How may I obtain a copy of HP's 2007 Form 10-K and other financial information?

Stockholders may request a free copy of our 2007 Annual Report, which includes our 2007 Form 10-K, from:

Hewlett-Packard Company  
Attn: Investor Relations  
3000 Hanover Street  
Palo Alto, California 94304  
(866) 438-4771 (U.S. and Canada) or (202) 315-4211 (International)  
[www.hp.com/investor/informationrequest](http://www.hp.com/investor/informationrequest)

Alternatively, stockholders can access the 2007 Annual Report, which includes our 2007 Form 10-K and other financial information, on HP's Investor Relations website at:

<http://www.hp.com/investor/home>

HP also will furnish any exhibit to the 2007 Form 10-K if specifically requested.

### Voting Information

#### 11. What items of business will be voted on at the annual meeting?

The items of business scheduled to be voted on at the annual meeting are:

The election of directors

The ratification of the appointment of HP's independent registered public accounting firm for the 2008 fiscal year

We also will consider any other business that properly comes before the annual meeting. See question 23 "What happens if additional matters are presented at the annual meeting?" below.

#### 12. How does the Board recommend that I vote?

**Our Board recommends that you vote your shares FOR each of the nominees for election to the Board and FOR the ratification of HP's independent registered public accounting firm for the 2008 fiscal year.**

#### 13. What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Most HP stockholders hold their shares through a broker, trustee or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

**Stockholder of Record** If your shares are registered directly in your name with HP's transfer agent, Computershare, you are considered, with respect to those shares, the "stockholder of record." As the stockholder of record, you have the right to grant your voting proxy directly to HP or to a third party, or to vote in person at the meeting.

**Beneficial Owner** If your shares are held in a brokerage account, by a trustee or by another nominee, you are considered the "beneficial owner" of those shares. As the beneficial owner of those shares, you have the right to direct your broker, trustee or nominee how to vote and you also are invited to attend the annual meeting. However, because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a



"legal proxy" from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.

**14. What shares can I vote?**

Each share of HP common stock issued and outstanding as of the close of business on January 22, 2008, the record date for the annual meeting, is entitled to be voted on all items being voted upon at the annual meeting. You may vote all shares owned by you as of this time, including (1) shares held directly in your name as the stockholder of record, including shares purchased through HP's Dividend Reinvestment Plan and HP's employee stock purchase plans and shares held through HP's Direct Registration Service, and (2) shares held for you as the beneficial owner through a broker, trustee or other nominee. On the record date HP had approximately 2,554,820,140 shares of common stock issued and outstanding.

**15. How can I vote my shares in person at the annual meeting?**

Shares held in your name as the stockholder of record may be voted in person at the annual meeting. Shares for which you are the beneficial owner but not the stockholder of record may be voted in person at the annual meeting only if you obtain a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the annual meeting, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to attend the meeting.

**16. How can I vote my shares without attending the annual meeting?**

Whether you hold shares directly as the stockholder of record or through a broker, trustee or other nominee as the beneficial owner, you may direct how your shares are voted without attending the annual meeting. There are three ways to vote by proxy:

**By Internet** Stockholders who received a notice about the Internet availability of the proxy materials may submit proxies over the Internet by following the instructions on the notice. Stockholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies over the Internet by following the instructions on the proxy card or voting instruction card.

**By Telephone** Stockholders of record who live in the United States or Canada may submit proxies by telephone by calling 1-866-209-1711 and following the instructions. Stockholders of record who have received a notice about the Internet availability of the proxy materials will need to have the control number that appears on their notice available when voting. Stockholders of record who have received a proxy card by mail will need to have the control number that appears on their proxy card available when voting. Most stockholders who are beneficial owners of their shares living in the United States or Canada and who have received a voting instruction card by mail may vote by phone by calling the number specified on voting instruction card provided by their broker, trustee or nominee. Those stockholders should check the voting instruction card for telephone voting availability.

**By Mail** Stockholders who have received a paper copy of a proxy card or voting instruction card by mail may submit proxies by completing, signing and dating their proxy card or voting instruction card and mailing it in the accompanying pre-addressed envelope.

**17. What is the deadline for voting my shares?**

If you hold shares as the stockholder of record, or through the Hewlett-Packard Company 2000 Employee Stock Purchase Plan (the "Share Ownership Plan"), your vote by proxy must be received before the polls close at the annual meeting.

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If you hold shares in the Hewlett-Packard Company 401(k) Plan (the "HP 401(k) Plan"), your voting instructions must be received by 11:59 p.m., Eastern time, on March 16, 2008 for the trustee to vote your shares.

If you are the beneficial owner of shares held through a broker, trustee or other nominee, please follow the voting instructions provided by your broker, trustee or nominee.

### **18. May I change my vote?**

You may change your vote at any time prior to the vote at the annual meeting, except that any change to your voting instructions for the HP 401(k) Plan must be provided by 11:59 p.m., Eastern time, on March 16, 2008 as described above. If you are the stockholder of record, you may change your vote by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by providing a written notice of revocation to the Corporate Secretary at the address below in question 30 prior to your shares being voted, or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically make that request. For shares you hold beneficially in the name of a broker, trustee or other nominee, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

### **19. Is my vote confidential?**

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within HP or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide on their proxy card written comments, which are then forwarded to HP management.

### **20. How are votes counted?**

In the election of directors, you may vote "FOR," "AGAINST" or "ABSTAIN" with respect to each of the nominees. If you elect to abstain in the election of directors, the abstention will not impact the election of directors. In tabulating the voting results for the election of directors, only "FOR" and "AGAINST" votes are counted. You also may cumulate your votes as described in question 22, "Is cumulative voting permitted for the election of directors?"

You may vote "FOR," "AGAINST" or "ABSTAIN" with respect to the proposal to ratify the appointment of HP's independent registered public accounting firm for the 2008 fiscal year." If you elect to abstain, the abstention will have the same effect as an "AGAINST" vote.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If you vote by proxy card or voting instruction card and sign the card without giving specific instructions, your shares will be voted in accordance with the recommendations of the Board (FOR all of HP's nominees to the Board and FOR ratification of the appointment of HP's independent registered public accounting firm).

For any shares you hold in the HP 401(k) Plan, if your voting instructions are not received by 11:59 p.m., Eastern time, on March 16, 2008, your shares will be voted in proportion to the way the shares held by the other HP 401(k) Plan participants are voted, except as may be otherwise required by law.

### **21. What is the voting requirement to approve each of the proposals?**

In the election of directors, each director will be elected by the vote of the majority of votes cast with respect to that director nominee. A majority of votes cast means that the number of votes cast for a

nominee's election must exceed the number of votes cast against such nominee's election. Each nominee receiving more votes for his or her election than votes against his or her election will be elected. Approval of the proposal to ratify the appointment of HP's independent registered public accounting firm for the 2008 fiscal year requires the affirmative vote of a majority of those shares present in person or represented by proxy and entitled to vote on that proposal at the annual meeting.

If you are the beneficial owner of shares held in the name of a broker, trustee or other nominee and do not provide that broker, trustee or other nominee with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions have the same effect as votes against the matter except in the election of directors, as described above.

**22. Is cumulative voting permitted for the election of directors?**

In the election of directors, you may elect to cumulate your vote. Cumulative voting will allow you to allocate among the director nominees, as you see fit, the total number of votes equal to the number of director positions to be filled multiplied by the number of shares you hold. For example, if you own 100 shares of stock and there are ten directors to be elected at the annual meeting, you may allocate 1000 "FOR" votes (ten times 100) among as few or as many of the ten nominees to be voted on at the annual meeting as you choose. You may not cumulate your votes against a nominee.

If you are a stockholder of record and choose to cumulate your votes, you will need to submit a proxy card or, if you vote in person at the annual meeting, submit a ballot and make an explicit statement of your intent to cumulate your votes, either by so indicating in writing on the proxy card or by indicating in writing on your ballot when voting at the annual meeting. If you hold shares beneficially through a broker, trustee or other nominee and wish to cumulate votes, you should contact your broker, trustee or nominee.

If you vote by proxy card or voting instruction card and sign your card with no further instructions, Mark V. Hurd and Michael J. Holston, as proxy holders, may cumulate and cast your votes in favor of the election of some or all of the applicable nominees in their sole discretion, except that none of your votes will be cast for any nominee as to whom you vote against or abstain from voting.

Cumulative voting applies only to the election of directors. For all other matters, each share of common stock outstanding as of the close of business on January 22, 2008, the record date for the annual meeting, is entitled to one vote.

**23. What happens if additional matters are presented at the annual meeting?**

Other than the two items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. If you grant a proxy, the persons named as proxy holders, Mark V. Hurd and Michael J. Holston, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the Board.

**24. Who will serve as inspector of elections?**

The inspector of elections will be a representative from an independent firm, IVS Associates, Inc.

**25. Who will bear the cost of soliciting votes for the annual meeting?**

HP is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing the notices and these proxy materials and soliciting votes. In addition to the mailing of the notices and these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees, who will not receive any additional compensation for such solicitation activities. We also have hired Innisfree to assist us in the distribution of proxy materials and the solicitation of votes described above. We will pay Innisfree a base fee of \$20,000 plus customary costs and expenses for these services. HP has agreed to indemnify Innisfree against certain liabilities arising out of or in connection with its agreement. We also will reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy and solicitation materials to stockholders.

**26. Where can I find the voting results of the annual meeting?**

We intend to announce preliminary voting results at the annual meeting and publish final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2008.

**27. What if I have questions for HP's transfer agent?**

Please contact HP's transfer agent, at the phone number or address listed below, with questions concerning stock certificates, dividend checks, transfer of ownership or other matters pertaining to your stock account.

Computershare Investor Services, LLC  
Shareholder Services  
250 Royall Street  
Canton, Massachusetts 02021  
(800) 286-5977 (U.S. and Canada)  
(312) 360-5138 (International)

A dividend reinvestment and stock purchase program is also available through Computershare. For information about this program, please contact Computershare at the following address or the phone number listed above:

Computershare Trust Company  
Dividend Reinvestment Services  
250 Royall Street  
Canton, Massachusetts 02021

**Annual Meeting Information**

**28. How can I attend the annual meeting?**

You are entitled to attend the annual meeting only if you were an HP stockholder or joint holder as of the close of business on January 22, 2008 or you hold a valid proxy for the annual meeting. You should be prepared to present photo identification for admittance. If you are a stockholder of record or hold your shares through the HP 401(k) Plan or the Share Ownership Plan, your name will be verified against the list of stockholders of record or plan participants on the record date prior to your admission to the annual meeting. If you are not a stockholder of record but hold shares through a broker, trustee or nominee, you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to January 22, 2008 or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the annual meeting.

The meeting will begin promptly at 2:00 p.m., local time. Check-in will begin at 12:30 p.m., local time, and you should allow ample time for the check-in procedures.

**29. How many shares must be present or represented to conduct business at the annual meeting?**

The quorum requirement for holding the annual meeting and transacting business is that holders of a majority of shares of HP common stock entitled to vote must be present in person or represented by proxy. Both abstentions and broker non-votes described previously in question 21 are counted for the purpose of determining the presence of a quorum.

**Stockholder Proposals, Director Nominations and Related Bylaw Provisions**

**30. What is the deadline to propose actions for consideration at next year's annual meeting of stockholders?**

You may submit proposals for consideration at future stockholder meetings. For a stockholder proposal to be considered for inclusion in HP's proxy statement for the annual meeting next year, the Corporate Secretary must receive the written proposal at our principal executive offices no later than October 1, 2008. Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Corporate Secretary  
Hewlett-Packard Company  
3000 Hanover Street  
Palo Alto, California 94304  
Fax: (650) 857-4837

For a stockholder proposal that is not intended to be included in HP's proxy statement under Rule 14a-8, the stockholder must provide the information required by HP's Bylaws and give timely notice to the Corporate Secretary in accordance with HP's Bylaws, which, in general, require that the notice be received by the Corporate Secretary:

Not earlier than the close of business on November 14, 2008, and

Not later than the close of business on December 15, 2008.

If the date of the stockholder meeting is moved more than 30 days before or 60 days after the anniversary of the HP annual meeting for the prior year, then notice of a stockholder proposal that is not intended to be included in HP's proxy statement under Rule 14a-8 must be received not earlier than the close of business 120 days prior to the meeting and not later than the close of business on the later of the following two dates:

90 days prior to the meeting; and

10 days after public announcement of the meeting date.

**31. How may I recommend or nominate individuals to serve as directors?**

You may propose director candidates for consideration by the Board's Nominating and Governance Committee. Any such recommendations should include the nominee's name and qualifications for Board membership and should be directed to the Corporate Secretary at the address of our principal executive offices set forth in question 30 above.

In addition, HP's Bylaws permit stockholders to nominate directors for election at an annual stockholder meeting. To nominate a director, the stockholder must deliver the information required by HP's Bylaws and a statement by the nominee acknowledging that he or she will owe a fiduciary obligation to HP and its stockholders.

**32. What is the deadline to propose or nominate individuals to serve as directors?**

A stockholder may send a proposed director candidate's name and information to the Board at anytime. Generally, such proposed candidates are considered at the Board meeting prior to the annual meeting.

To nominate an individual for election at an annual stockholder meeting, the stockholder must give timely notice to the Corporate Secretary in accordance with HP's Bylaws, which, in general, require that the notice be received by the Corporate Secretary between the close of business on November 14, 2008 and the close of business on December 15, 2008, unless the annual meeting is moved by more than 30 days before or 60 days after the anniversary of the prior year's annual meeting, in which case the deadline will be as described in question 30.

**33. How may I obtain a copy of HP's Bylaw provisions regarding stockholder proposals and director nominations?**

You may contact the Corporate Secretary at our principal executive offices for a copy of the relevant Bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates. HP's Bylaws also are available on HP's website at <http://www.hp.com/hpinfo/investor/bylaws.html>.

**Further Questions**

**34. Who can help answer my questions?**

If you have any questions about the annual meeting or how to vote or revoke your proxy, you should contact HP's proxy solicitor:

Innisfree M&A Incorporated  
501 Madison Avenue, 20<sup>th</sup> Floor  
New York, New York 10022  
Stockholders: (877) 750-5838 (U.S. and Canada)  
(412) 232-3651 (International)  
Banks and brokers (call collect):  
(212) 750-5833



**CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS**

HP is committed to maintaining the highest standards of business conduct and corporate governance, which we believe are essential to running our business efficiently, serving our stockholders well and maintaining HP's integrity in the marketplace. HP has adopted a code of business conduct and ethics for directors, officers (including HP's principal executive officer, principal financial officer and principal accounting officer) and employees, known as our Standards of Business Conduct. HP also has adopted Corporate Governance Guidelines, which, in conjunction with the Certificate of Incorporation, Bylaws and Board committee charters, form the framework for governance of HP. All of these documents are available at <http://www.hp.com/investor/corpgovernance/highlights>. HP will post on this web site any amendments to the Standards of Business Conduct or waivers of the Standards of Business Conduct for directors and executive officers.

Stockholders may request free printed copies of the Standards of Business Conduct, the Corporate Governance Guidelines and the Board committee charters from:

Hewlett-Packard Company  
Attention: Investor Relations  
3000 Hanover Street  
Palo Alto, California 94304  
(866) GET-HPQ1 or (866) 438-4771  
<http://www.hp.com/investor/home>

**Board Structure and Committee Composition**

As of the date of this proxy statement, our Board has ten directors and the following five standing committees: (1) Audit, (2) Finance and Investment, (3) HR and Compensation, (4) Nominating and Governance, and (5) Technology. The committee membership and meetings during the last fiscal year and the function of each of the standing committees are described below. Each of the standing committees operates under a written charter adopted by the Board. All of the committee charters are available on HP's website at [http://www.hp.com/investor/board\\_charters](http://www.hp.com/investor/board_charters). The Board and each of the committees has the authority to retain and terminate, and receive appropriate funding from HP for, outside advisors as the Board and each committee deems necessary.

During fiscal 2007, the Board held nine meetings. Each current director attended at least 75% of the aggregate of all Board and applicable standing committee meetings. Directors are encouraged to attend

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annual meetings of HP stockholders. All then-current directors attended the last annual meeting of stockholders.

Name of Director	Audit	Finance and Investment <sup>(1)</sup>	HR and Compensation	Nominating and Governance	Technology <sup>(2)</sup>
<b>Non-Employee Directors:</b>					
Lawrence T. Babbio, Jr.			Chair	Member	
Sari M. Baldauf <sup>(3)</sup>	Member			Member	Member
Richard A. Hackborn		Member			Chair
John H. Hammergren <sup>(4)</sup>		Chair	Member	*	
Joel Z. Hyatt <sup>(5)</sup>		Member	Member		
John R. Joyce <sup>(6)</sup>	Member				Member
Robert L. Ryan	Chair	Member			Member
Lucille S. Salhany	Member		Member	Chair	
G. Kennedy Thompson <sup>(7)</sup>	Member			Member	
<b>Employee Director</b>					
Mark V. Hurd					
<b>Former Director</b>					
Robert P. Wayman <sup>(8)</sup>					
<b>Number of Meetings in Fiscal 2007</b>	<b>13</b>	<b>2</b>	<b>7</b>	<b>7</b>	<b>1</b>

\* = Former Committee Chair or member

- (1) The Finance and Investment Committee was formed effective May 17, 2007.
- (2) The Technology Committee was reconstituted effective May 17, 2007.
- (3) Ms. Baldauf was appointed to the Nominating and Governance Committee effective May 17, 2007.
- (4) Mr. Hammergren's service as a member of the Nominating and Governance Committee ended effective May 17, 2007.
- (5) Mr. Hyatt was elected to the Board and was appointed to the HR and Compensation Committee effective May 17, 2007. He was also appointed to the Finance and Investment Committee effective upon the formation of that committee on May 17, 2007.
- (6) Mr. Joyce was elected to the Board and was appointed to the Audit Committee effective May 17, 2007. He was also appointed to the Technology Committee effective upon the reconstitution of that committee on May 17, 2007.
- (7) Mr. Thompson was elected to the Board effective November 16, 2006. He was appointed to the Audit Committee effective November 27, 2006 and to the Nominating and Governance Committee effective May 17, 2007.
- (8) Mr. Wayman did not stand for election at HP's 2007 Annual Meeting of Stockholders, and his service on the Board ended on March 14, 2007.

*Audit Committee*

HP has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee assists the Board in fulfilling its responsibilities for generally overseeing HP's financial reporting processes and the audit of HP's financial statements, including the integrity of HP's financial statements, HP's compliance with legal and regulatory requirements, the qualifications and independence of the independent registered public accounting firm, the performance of HP's internal audit function and the independent registered public accounting firm, and risk assessment and risk management. Among other things, the Audit Committee prepares the Audit Committee report for inclusion in the annual proxy statement; annually reviews its charter and performance; appoints, evaluates and determines the compensation of the independent registered public accounting firm; reviews and approves the scope of the annual audit, the audit fee and the financial statements; reviews HP's disclosure controls and procedures, internal controls, information security policies, internal audit function, and corporate policies with respect to financial information and earnings guidance; reviews regulatory and accounting initiatives and



off-balance sheet structures; oversees HP's compliance programs with respect to legal and regulatory requirements; oversees investigations into complaints concerning financial matters; and reviews other risks that may have a significant impact on HP's financial statements. The Audit Committee works closely with management as well as the independent registered public accounting firm.

The Board determined that each of Robert L. Ryan, Chair of the Audit Committee, and Audit Committee members Sari M. Baldauf, John R. Joyce, Lucille S. Salhany and G. Kennedy Thompson is independent pursuant to applicable listing standards governing audit committee members. The Board also determined that each of Mr. Ryan, Ms. Baldauf, Mr. Joyce and Mr. Thompson is an audit committee financial expert as defined by SEC rules and applicable listing standards.

The report of the Audit Committee is included on page 60.

#### *Finance and Investment Committee*

The Finance and Investment Committee provides oversight to the finance and investment functions of HP. The Finance and Investment Committee reviews or oversees significant treasury matters such as capital structure, derivative policy, global liquidity, fixed income investments, borrowings, currency exposure, dividend policy, share issuances and repurchases, and capital spending; oversees HP's loans, loan guarantees of third-party debt and obligations and outsourcings; reviews HP Financial Services' capitalization and operations, including residual and credit management, risk concentration, and return on invested capital; reviews the activities of HP's Investor Relations department; and coordinates with the HR and Compensation Committee regarding the cost, funding and financial impact of equity compensation and benefits. The Finance and Investment Committee also assists the HP Board of Directors in evaluating investment, acquisition, managed services, joint venture and divestiture transactions in which HP engages as part of its business strategy from time to time, reports to the Board and makes recommendations to the Board as to scope, direction, quality, investment levels and execution of such transactions; evaluates and revises HP's approval policies with respect to such transactions, oversees HP's integration planning and execution and the financial results of such transactions after integration; evaluates the execution, financial results and integration of HP's completed transactions; and oversees and approves HP's strategic alliances.

#### *HR and Compensation Committee*

The HR and Compensation Committee discharges the Board's responsibilities relating to the compensation of HP's executives and directors; reviews and approves the report required by the U.S. Securities and Exchange Commission for inclusion in the annual proxy statement; provides general oversight of HP's total rewards compensation structure; reviews and provides guidance on HP's human resources programs; and retains and approves the terms of the retention of compensation consultants and other compensation experts. Other specific duties and responsibilities of the HR and Compensation Committee include reviewing senior management selection and overseeing succession planning, including reviewing the leadership development process; reviewing and approving objectives relevant to executive officer compensation, evaluating performance and determining the compensation of executive officers in accordance with those objectives; approving severance arrangements and other applicable agreements for executive officers; overseeing HP's equity-based and incentive compensation and equity-based rewards; overseeing non-equity based benefit plans and approving any changes to such plans involving a material financial commitment by HP; monitoring workforce management programs; establishing compensation policies and practices for service on the Board and its committees and for the Chairman of the Board; developing guidelines for and monitoring director and executive stock ownership; and annually evaluating its performance and its charter.

*Nominating and Governance Committee*

The Nominating and Governance Committee recommends candidates to be nominated for election as directors at HP's annual meeting, consistent with criteria approved by the Board; develops and regularly reviews corporate governance principles and related policies for approval by the Board; oversees the organization of the Board to discharge the Board's duties and responsibilities properly and efficiently; and sees that proper attention is given and effective responses are made to stockholder concerns regarding corporate governance. Other specific duties and responsibilities of the Nominating and Governance Committee include: annually assessing the size and composition of the Board, including developing and reviewing director qualifications for approval by the Board; identifying and recruiting new directors and considering candidates proposed by stockholders; recommending assignments of directors to committees to ensure that committee membership complies with applicable laws and listing standards; conducting a preliminary review of director independence and financial literacy and expertise of Audit Committee members; and overseeing director orientation and continuing education. The Nominating and Governance Committee also reviews proposed changes to HP's Certificate of Incorporation, Bylaws and Board committee charters; assesses and makes recommendations regarding stockholder rights plans or other stockholder protections, as appropriate; conducts ongoing reviews of potential related party transactions and conflicts of interest, including the review and approval of all "related party transactions" as defined under SEC rules; reviews and approves the designation of any employee directors or executive officers for purposes of Section 16 of the Exchange Act ("Section 16 Officers") standing for election for outside for-profit boards of directors; reviews stockholder proposals in conjunction with the Chairman of the Board and recommends Board responses; oversees the self-evaluation of the Board and its committees; oversees the annual evaluation of the CEO conducted by the lead independent director, in conjunction with the HR and Compensation Committee, with input from all Board members; oversees the HR and Compensation Committee's evaluation of senior management; and reviews requests for indemnification under HP's Bylaws.

*Technology Committee*

The Technology Committee assesses HP's technology development strategies and the scope and quality of HP's intellectual property. The Technology Committee makes recommendations to the HP Board of Directors as to scope, direction, quality, investment levels and execution of HP's technology strategies; oversees the execution of technology strategies formulated by management; provides guidance on technology as it may pertain to, among other things, market entry and exit, investments, mergers, acquisitions and divestitures, new business divisions and spin-offs, research and development investments, and key competitor and partnership strategies; and reviews and makes recommendations on proposed investment, acquisition, joint venture and divestiture transactions with a value of at least \$200 million that involve technology prior to any review by other Board Committees or the Board of Directors pursuant to HP's M&A approval policies.

**Director Independence**

HP's Corporate Governance Guidelines provide that a substantial majority of the Board will consist of independent directors and the Board can include no more than three directors who are not independent directors. These standards are available on our web site at [http://www.hp.com/investor/director\\_standards](http://www.hp.com/investor/director_standards). These standards reflect the New York Stock Exchange corporate governance listing standards. In addition, each member of the Audit Committee meets the heightened independence standards required for audit committee members under the applicable listing standards.

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Under HP's 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 HP, or an immediate family member of the director is, or has been within the last three years, an executive officer of HP.
- (2) The director has been employed as an executive officer of HP, 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 twelve-month period within the last three years, more than \$100,000 in direct compensation from HP, other than compensation for Board service, compensation received by a director's immediate family member for service as a non-executive employee of HP, and pension or other forms of deferred compensation for prior service with HP 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 HP's 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 HP's 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 HP's 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, HP 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 HP.
- (8) The director has a personal services contract with HP or an executive officer of HP.

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

In determining independence, the Board reviews whether directors have any material relationship with HP. An independent director must not have any material relationship with HP, either directly or as a partner, stockholder or officer of an organization that has a relationship with HP, or 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 HP, the Board considers 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 2005 between HP and entities associated with the independent directors or their immediate family members. The Board's independence determinations included reviewing the following transactions:

Mr. Hambergren, Mr. Hyatt and Mr. Thompson are each executive officers, and Mr. Joyce is a managing director, of companies with which HP does business. The amount that HP paid in each fiscal year to each of these companies for goods and services, and the amount received in each fiscal

year by HP for goods and services from each company, did not, in any of the previous three fiscal years, exceed the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

Mr. Babbio, Ms. Baldauf, Mr. Hammergren, Mr. Joyce, Ms. Salhany, Mr. Ryan and Mr. Thompson, or one of their immediate family members, each is or was during the previous three fiscal years a non-employee director, trustee or advisory board member of another company that did business with HP at some time during those years. These business relationships were as a supplier or purchaser of goods or services.

Mr. Babbio, Ms. Baldauf, Mr. Hyatt, Mr. Joyce, Ms. Salhany, Mr. Ryan and Mr. Thompson, or one of their immediate family members, have each served as a non-employee director, trustee or advisory board member for one or more charitable institutions to which HP has made charitable contributions during the previous three fiscal years. Payments to any of these entities (including matching contributions and discretionary contributions by HP) did not exceed \$250,000 in any of the previous three fiscal years.

As a result of this review, the Board has determined that each of the non-employee director nominees standing for election, including Mr. Babbio, Ms. Baldauf, Mr. Hackborn, Mr. Hammergren, Mr. Hyatt, Mr. Joyce, Mr. Ryan, Ms. Salhany and Mr. Thompson, and each of the members of each Board committee, has no material relationship with HP (either directly or as a partner, stockholder or officer of an organization that has a relationship with HP) and is independent within the meaning of HP's director independence standards. Mr. Hurd is not independent because of his status as Chief Executive Officer and President of HP.

#### **Lead Independent Director**

HP's Corporate Governance Guidelines provide that the independent directors will designate a lead independent director when the positions of Chairman and CEO are held by the same person. Richard A. Hackborn has served as lead independent director since September 2006. The lead independent director, together with the Chairman, schedules and sets the agenda for meetings of the Board, and the lead independent director chairs Board meetings when the Chairman is not present. The lead independent director also schedules, sets the agenda for and chairs executive sessions. In addition, the lead independent director serves as a liaison between the Chairman and the other independent directors, coordinates information sent to the Board, recommends changes to improve the Board, the committees and individual director effectiveness, works jointly with the Chair of the HR and Compensation Committee to coordinate the annual performance evaluation of the CEO, and performs such other functions and responsibilities as provided in HP's Corporate Governance Guidelines and as requested by the Board from time to time.

#### **Executive Sessions**

Executive sessions of independent directors are held at least three times a year. During fiscal 2007, the independent directors met in executive session five times. The sessions are scheduled and chaired by the lead independent director. Any independent director may request that an additional executive session be scheduled.

#### **Director Nominees**

##### *Stockholder Recommendations*

The policy of the Nominating and Governance Committee is to consider properly submitted stockholder recommendations of candidates for membership on the Board as described below under "Identifying and Evaluating Candidates for Directors." In evaluating such recommendations, the Nominating and Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board and to address the membership criteria set forth below under "Director

Qualifications." Any stockholder recommendations proposed for consideration by the Nominating and Governance Committee should include the candidate's name and qualifications for Board membership and should be addressed to:

Corporate Secretary  
Hewlett-Packard Company  
3000 Hanover Street  
Palo Alto, California 94304  
Fax: (650) 857-4837

*Stockholder Nominations*

In addition, HP's Bylaws permit stockholders to nominate directors for consideration at an annual stockholder meeting and to solicit proxies in favor of such nominees. For a description of the process for nominating directors in accordance with HP's Bylaws, see "Questions and Answers Stockholder Proposals, Director Nominations and Related Bylaw Provisions How may I recommend or nominate individuals to serve as directors?".

*Director Qualifications*

HP's Corporate Governance Guidelines contain Board membership criteria that apply to nominees recommended for a position on HP's Board. Under these criteria, members of the Board should have the highest professional and personal ethics and values, consistent with longstanding HP values and standards. They should have broad experience at the policy-making level in business, government, education, technology or public service. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties. Each director must represent the interests of all stockholders of HP.

*Identifying and Evaluating Candidates for Directors*

The Nominating and Governance Committee uses a variety of methods for identifying and evaluating nominees for director. The Nominating and Governance Committee regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Nominating and Governance Committee considers various potential candidates for director. Candidates may come to the attention of the Nominating and Governance Committee through current Board members, professional search firms, stockholders or other persons. Identified candidates are evaluated at regular or special meetings of the Nominating and Governance Committee and may be considered at any point during the year. As described above, the Nominating and Governance Committee considers properly submitted stockholder recommendations for candidates for the Board to be included in HP's proxy statement. Following verification of the stockholder status of people proposing candidates, recommendations are considered together by the Nominating and Governance Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for HP's annual meeting. If any materials are provided by a stockholder in connection with the nomination of a director candidate, such materials are forwarded to the Nominating and Governance Committee. The Nominating and Governance Committee also reviews materials provided by professional search firms and other parties in connection with a nominee who is not proposed by a stockholder. In evaluating such nominations, the Nominating and Governance Committee seeks to achieve a balance of knowledge, experience and capability on the Board.



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HP engages a professional search firm on an ongoing basis to identify and assist the Nominating and Governance Committee in identifying, evaluating and conducting due diligence on potential director nominees. On November 16, 2006, the Board elected G. Kennedy Thompson as a director effective immediately. Mr. Thompson was identified by the professional search firm. On May 17, 2007, the Board elected Joel Z. Hyatt and John R. Joyce as directors effective immediately. Mr. Hyatt was identified by HP's chief executive officer, and Mr. Joyce was identified by the professional search firm.

### **Board Policy Regarding Voting for Directors**

HP has implemented a majority vote standard in the election of directors. In addition, HP has adopted a policy whereby any incumbent director nominee who receives a greater number of votes "against" his or her election than votes "for" such election will tender his or her resignation for consideration by the Nominating and Governance Committee. The Nominating and Governance Committee will recommend to the Board the action to be taken with respect to such offer of resignation.

### **Communications with the Board**

Individuals may communicate with the Board by contacting:

Secretary to the Board of Directors  
3000 Hanover Street, MS 1050  
Palo Alto, California 94304  
e-mail: bod@hp.com

All directors have access to this correspondence. In accordance with instructions from the Board, the Secretary to the Board reviews all correspondence, organizes the communications for review by the Board and posts communications to the full Board or individual directors, as appropriate. HP's independent directors have requested that certain items that are unrelated to the Board's duties, such as spam, junk mail, mass mailings, solicitations, resumes and job inquiries, not be posted.

Communications that are intended specifically for the lead independent director, the independent directors or non-management directors should be sent to the e-mail address or street address noted above, to the attention of the lead independent director.

**DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES**

Employee directors do not receive any separate compensation for their Board activities. Non-employee directors receive the compensation described below.

Each non-employee director is entitled to receive an annual cash retainer of \$50,000 but may elect to receive an equivalent amount of securities in lieu of the cash retainer. In addition, each non-employee director is entitled to receive an annual retainer of \$150,000 in the form of restricted stock or stock options. Under special circumstances, the securities portion of the annual retainer may be paid in cash, but no such exceptions were made during fiscal 2007. The restricted stock awards are determined based on the fair market value of HP common stock on the grant date, and stock options are determined based on a Black-Scholes option valuation model. The restricted stock and options generally vest after one year from the date of grant. Non-employee directors may elect to defer the cash portion of their annual retainer under the Hewlett-Packard Company 2005 Executive Deferred Compensation Plan. Under that plan, investment earnings are credited based on investment choices that are available to employees under the HP 401(k) Plan, and there is no formula that would result in above-market earnings or a preferential interest rate. None of the non-employee directors made any cash deferrals in fiscal 2007.

In addition to the annual retainer, non-employee directors who serve as chairs of standing committees receive a retainer for such service in the amount of \$15,000 for the chair of the Audit Committee and \$10,000 for the chair of other Board committees. In addition, effective in February 2007, the lead independent director receives an additional retainer of \$75,000 per year. Non-employee directors also receive \$2,000 for each Board meeting attended in excess of six per year, and \$2,000 for each committee meeting attended in excess of six per year for each standing committee on which the non-employee director serves. Non-employee directors are reimbursed for their expenses in connection with attending Board meetings (including expenses related to spouses when spouses are invited to attend Board events), and non-employee directors may use the company aircraft for travel to and from HP events. Each non-employee director also may receive up to \$2,500 worth of HP equipment each year. In addition, each non-employee director is eligible to participate in the product matching portion of the HP Employee Giving Program. Under this program, each non-employee director may contribute up to \$20,000 worth of HP products each year to a school or qualified charity by paying 25% of the list price of those products, with HP paying the remaining 75%.

**Fiscal 2007 Non-Employee Director Compensation**

The following table provides information on compensation for non-employee directors who served during fiscal 2007:

Name	Fees Earned or Paid in Cash <sup>(1)</sup> (\$)	Stock Awards <sup>(2)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	All Other Compensation <sup>(3)</sup> (\$)	Total (\$)
Lawrence T. Babbio, Jr.	75,000	69,871	102,062	740	247,673
Sari M. Baldauf	49,333	78,502	93,149	580	221,564
Richard A. Hackborn	111,000	171,937		15,324	298,261
John H. Hammergren	13,000	3,015	197,810		213,825
Joel Z. Hyatt		63,481		292	63,773
John R. Joyce	22,917	47,620		219	70,756
Robert L. Ryan	83,000	171,937		17,139	272,076
Lucille S. Salhany	84,000	171,937		1,320	257,257
G. Kennedy Thompson	12,000	142,071		1,055	155,126

(1)

For purposes of determining director compensation, the term of office for directors begins in March and ends the following February, which does not coincide with HP's November through October fiscal year. Cash amounts included in the table above represent the portion of the annual retainers elected to be received in cash, committee chair fees, lead independent director

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fees and additional meeting fees earned with respect to service during HP's 2007 fiscal year. See "Additional Information About Fees Earned or Paid in Cash in Fiscal 2007" below.

(2)

The dollar amounts shown for stock awards and option awards represents the dollar amount of those awards recognized for financial statement reporting purposes with respect to fiscal 2007 in compliance with Statement of Financial Accounting Standards No. 123 (revised 2004) "Share-Based Payment" ("SFAS 123R") for stock options and restricted stock awards that vested in fiscal 2007. These amounts reflect HP's accounting expense for these awards and do not correspond to the actual value that may be recognized by the directors with respect to these awards. For information on the assumptions used to calculate the value of the awards, refer to Note 2 to HP's consolidated financial statements in its Annual Report on Form 10-K for the fiscal year ended October 31, 2007, as filed with the SEC on December 18, 2007. In accordance with SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. See "Additional Information About Non-Employee Director Equity Awards" below.

(3)

Amounts in this column represent the dollar value of dividends paid on stock awards and the cost to HP of product donations made on behalf of non-employee directors pursuant to the product matching portion of the HP Employee Giving Program.

### Additional Information About Fees Earned or Paid in Cash in Fiscal 2007

The following table provides additional information about fees earned or paid in cash to non-employee directors in fiscal 2007:

Name	Annual Retainers (\$)	Committee Chair/Lead Independent Director Fees (\$)	Additional Meeting Fees (\$)	Total (\$)
<b>Lawrence T. Babbio, Jr.<sup>(1)</sup></b>	50,000	15,000	10,000	75,000
<b>Sari M. Baldauf<sup>(2)</sup></b>	33,333		16,000	49,333
<b>Richard A. Hackborn<sup>(3)</sup></b>	50,000	55,000	6,000	111,000
<b>John H. Hammergren<sup>(4)</sup></b>		5,000	8,000	13,000
<b>Joel Z. Hyatt</b>				
<b>John R. Joyce<sup>(5)</sup></b>	22,917			22,917
<b>Robert L. Ryan</b>	50,000	15,000	18,000	83,000
<b>Lucille S. Salhany</b>	50,000	10,000	24,000	84,000
<b>G. Kennedy Thompson</b>			12,000	12,000

(1)

The \$15,000 paid to Mr. Babbio for committee chair/lead independent director fees includes a \$5,000 fee paid for his service as chair of the former Acquisitions Committee, which was prorated to reflect the dissolution of that committee in May 2007.

(2)

The \$33,333 annual retainer paid to Ms. Baldauf represents the portion of Ms. Baldauf's \$50,000 cash annual retainer for the March 2007 through February 2008 Board term that was earned during fiscal 2007. Ms. Baldauf did not elect to receive in cash any portion of her annual retainer for the March 2006 through February 2007 Board term.

(3)

The \$55,000 paid to Mr. Hackborn for committee chair/lead independent director fees represents a prorated amount of \$50,000 paid for his service as lead independent director from February 2007, the effective date of the Board's approval of the \$75,000 annual retainer paid to the lead independent director, through the end of fiscal 2007 and a \$5,000 fee paid for his service as chair of the Technology Committee, which was prorated to reflect the reconstitution of that committee in May 2007.

(4)

The \$5,000 paid to Mr. Hammergren for committee chair/lead independent director fees represents a fee for his service as chair of the Finance and Investment Committee, which was prorated to reflect the re-formation of that committee in May 2007.

(5)

Mr. Joyce was elected to the Board effective May 17, 2007. Mr. Joyce received a prorated retainer of \$166,667 for service from May 2007 through February 2008, \$41,667 of which he elected to receive in cash. The \$22,917 cash annual retainer paid to Mr. Joyce represents the portion of that \$41,667 that was earned during fiscal 2007.

**Additional Information About Non-Employee Director Equity Awards**

The following table provides additional information about non-employee director equity awards, including the stock awards and option awards made to non-employee directors during fiscal 2007, the grant date fair value of each of those awards and the number of stock awards and option awards outstanding as of the end of fiscal 2007:

Name	Stock Awards Granted During Fiscal 2007 (#)	Option Awards Granted During Fiscal 2007 (#)	Grant Date Fair Value of Stock and Option Awards Granted During Fiscal 2007 <sup>(1)</sup> (\$)	Stock Awards Outstanding at Fiscal Year End (#)	Option Awards Outstanding at Fiscal Year End (#)
Lawrence T. Babbio, Jr.		8,021	150,014		103,879
Sari M. Baldauf	3,628		150,018	3,628	17,332
Richard A. Hackborn	3,628		150,018	3,628	40,000
John H. Hammergren		10,694	200,006		28,026
Joel Z. Hyatt <sup>(2)</sup>	3,650		166,696	3,650	
John R. Joyce <sup>(3)</sup>	2,738		125,044	2,738	
Robert L. Ryan	3,628		150,018	3,628	
Lucille S. Salhany	3,628		150,018	3,628	94,655
G. Kennedy Thompson <sup>(4)</sup>	6,009		250,025	6,009	

(1) Represents the fair value of stock options and stock awards granted in fiscal 2007, calculated in accordance with SFAS 123R. For stock awards, that number is calculated by multiplying the fair market value of HP's common stock on the date of grant by the number of shares awarded. For option awards, that number is calculated by multiplying the Black-Scholes value determined as of the date of grant by the number of options awarded.

(2) Mr. Hyatt was elected to the Board effective May 17, 2007. Mr. Hyatt received a prorated annual retainer of \$166,667 that he elected to receive in the form of 3,650 shares of restricted stock for service from May 2007 through February 2008.

(3) Mr. Joyce was elected to the Board effective May 17, 2007. Mr. Joyce received a prorated retainer of \$166,667 for service from May 2007 through February 2008, \$125,000 of which he elected to receive in the form of 2,738 shares of restricted stock.

(4) Mr. Thompson was elected to the Board effective November 16, 2006. Mr. Thompson received a prorated retainer of \$50,000 that he elected to receive in the form of 1,172 shares of restricted stock for service from November 2006 through February 2007 in addition to an annual retainer that he elected to receive in the form of 4,837 shares of restricted stock for service from March 2007 through February 2008.

**Non-Employee Director Stock Ownership Guidelines**

Under HP's stock ownership guidelines, non-employee directors are required to accumulate over time shares of HP common stock equal in value to at least three times the value of the regular annual cash and equity retainers. Shares counted toward these guidelines include:

any shares held by the director directly or through a broker, including shares received under restricted stock grants;

restricted stock; and

vested but unexercised stock options (50% of the in-the-money value of such options is used for the calculation).

All non-employee directors with more than two years of service have met HP's stock ownership guidelines. See "Common Stock Ownership of Certain Beneficial Owners and Management" on page 26.



**PROPOSALS TO BE VOTED ON**

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

There are ten nominees for election to our Board this year. All of the nominees except Joel G. Hyatt and John R. Joyce have served as directors since the last annual meeting. Messrs. Hyatt and Joyce were elected by the Board to serve as directors effective May 17, 2007. Each director is elected annually to serve until the next annual meeting or until his or her successor is elected. There are no family relationships among our executive officers and directors.

Each director nominee who receives more "FOR" votes than "AGAINST" votes representing shares of HP common stock present in person or represented by proxy and entitled to be voted at the annual meeting will be elected.

If you sign your proxy or voting instruction card but do not give instructions with respect to voting for directors, your shares will be voted for the ten persons recommended by the Board. If you wish to give specific instructions with respect to voting for directors, you may do so by indicating your instructions on your proxy or voting instruction card.

You may cumulate your votes in favor of one or more directors. If you wish to cumulate your votes, you will need to indicate explicitly your intent to cumulate your votes among the ten persons who will be voted upon at the annual meeting. See "Questions and Answers Voting Information Is cumulative voting permitted for the election of directors?" for further information about how to cumulate your votes. Mark V. Hurd and Michael J. Holston, as proxy holders, reserve the right to cumulate votes and cast such votes in favor of the election of some or all of the applicable nominees in their sole discretion, except that a stockholder's votes will not be cast for a nominee as to whom such stockholder instructs that such votes be cast "AGAINST" or "ABSTAIN."

All of the nominees have indicated to HP that they will be available to serve as directors. In the event that any nominee should become unavailable, however, the proxy holders, Mr. Hurd and Mr. Holston, will vote for a nominee or nominees designated by the Board.

If an incumbent director nominee receives a greater number of votes against his or her election than votes for such election, he or she is required to tender his or her resignation for consideration by the Nominating and Governance Committee in accordance with Section V of HP's Corporate Governance Guidelines and as described on page 18.

**Our Board recommends a vote FOR the election to the Board of the each of the following nominees.**

**Lawrence T. Babbio, Jr.**  
Director since 2002  
Age 63

Mr. Babbio has served as a Senior Advisor to Warburg Pincus, a private equity firm, since June 2007. Previously, Mr. Babbio served as Vice Chairman and President of Verizon Communications, Inc. (formerly Bell Atlantic Corporation), a telecommunications company, from 2000 until his retirement in April 2007. He was a director of Compaq Computer Corporation from 1995 until HP's acquisition of Compaq in May 2002.

**Sari M. Baldauf**  
Director since 2006  
Age 52

Ms. Baldauf served as Executive Vice President and General Manager of the Networks business group of Nokia Corporation, a communications company, from July 1998 until February 2005. She previously held various positions at Nokia since 1983. Ms. Baldauf also serves as a director of SanomaWSOY, F-Secure Corporation, YIT Corporation, and CapMan Plc and as the non-executive chairman of the Savonlinna Opera Festival and as a member of the Global Board of the International Youth Foundation.

**Richard A. Hackborn**  
Director since 1992  
Age 70

Mr. Hackborn has served as HP's Lead Independent Director since September 2006. Previously, Mr. Hackborn served as HP's Chairman from January 2000 to September 2000. He was HP's Executive Vice President, Computer Products Organization from 1990 until his retirement in 1993 after a 33-year career with HP.

**John H. Hammergren**  
Director since 2005  
Age 48

Mr. Hammergren has served as Chairman of McKesson Corporation, a healthcare services and information technology company, since July 2002 and as President and Chief Executive Officer of McKesson since April 2001. Mr. Hammergren also is a director of Nadro, S.A. de C.V. (Mexico) and Verispan LLC.

**Mark V. Hurd**  
Director since 2005  
Age 51

Mr. Hurd has served as Chairman of HP since September 2006 and as Chief Executive Officer, President and a member of the Board since April 2005. Prior to that, he served as Chief Executive Officer of NCR Corporation, a technology company, from March 2003 to March 2005 and as President from July 2001 to March 2005. From September 2002 to March 2003, Mr. Hurd was the Chief Operating Officer of NCR, and from July 2000 until March 2003 he was Chief Operating Officer of NCR's Teradata data-warehousing division.

**Joel Z. Hyatt**  
Director since 2007  
Age 57

Mr. Hyatt has served as the Chief Executive Officer of Current Media, LLC, a cable and satellite television company, since September 2002. From September 1998 to June 2003, Mr. Hyatt was a Lecturer in Entrepreneurship at the Stanford University Graduate School of Business. Previously, Mr. Hyatt was the founder and Chief Executive Officer of Hyatt Legal Plans, Inc., a provider of employer-sponsored group legal plans.

**John R. Joyce**  
Director since 2007  
Age 54

Mr. Joyce has served as a Managing Director at Silver Lake, a private equity firm, since July 2005. Prior to joining Silver Lake, Mr. Joyce spent 30 years with IBM, a global technology firm, serving most recently as Senior Vice President and Group Executive of the IBM Global Services division from May 2004 until July 2005 and Chief Financial Officer of IBM from 1999 until May 2004. Prior to that, Mr. Joyce served in a variety of roles, including President, IBM Asia Pacific, and Vice President and Controller for IBM's global operations. Mr. Joyce is a member of the Bertelsmann AG Supervisory Board and a director of Gartner, Inc., Avago Technologies Limited and Serena Software, Inc.

**Robert L. Ryan**  
Director since 2004  
Age 64

Mr. Ryan served as Senior Vice President and Chief Financial Officer of Medtronic, Inc., a medical technology company, from 1993 until his retirement in May 2005. He also is a director of UnitedHealth Group Incorporated, General Mills, Inc., The Black and Decker Corporation and Citigroup, Inc.

**Lucille S. Salhany**  
Director since 2002  
Age 61

Ms. Salhany has served as President and Chief Executive Officer of JHMedia, a consulting company, since 1997. Since 2003, she has been a partner and director of Echo Bridge Entertainment, an independent film distribution company. From 1999 to March 2002, she was President and Chief Executive Officer of LifeFX Networks, Inc., which filed for federal bankruptcy protection in May 2002. From 1994 to 1997, Ms. Salhany was the Chief Executive Officer and President of UPN (United Paramount Network), a broadcasting company. From 1993 to 1994, she was Chairman of Fox Broadcasting Company, a national television network, and from 1991 to 1993 she was Chairman of Twentieth Television, a division of Fox Broadcasting Company. Ms. Salhany was a director of Compaq from 1997 until HP's acquisition of Compaq in May 2002. She also is a director of Ion Media Networks, Inc.

**G. Kennedy Thompson**  
Director since 2006  
Age 57

Mr. Thompson has served as Chairman of Wachovia Corporation, a financial services company, since February 2003 and as a director since 1999. He has also served as Chief Executive Officer of Wachovia since 2000 and as President since 1999. Mr. Thompson also is a director of Wachovia Preferred Funding Corp.



**PROPOSAL NO. 2**

**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board has appointed Ernst & Young LLP as the independent registered public accounting firm to audit HP's consolidated financial statements for the fiscal year ending October 31, 2008. During fiscal 2007, Ernst & Young LLP served as HP's independent registered public accounting firm and also provided certain tax and other audit-related services. See "Principal Accountant Fees and Services" on page 59. Representatives of Ernst & Young LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

**Our Board recommends a vote FOR the ratification of the appointment of Ernst & Young LLP as HP's independent registered public accounting firm for the 2008 fiscal year.** If the appointment is not ratified, the Board will consider whether it should select another independent registered public accounting firm.

**Vote Required**

Ratification of the appointment of Ernst & Young LLP as HP's independent registered public accounting firm for the 2008 fiscal year requires the affirmative vote of a majority of the shares of HP common stock present in person or represented by proxy and entitled to be voted at the meeting.

**COMMON STOCK OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information, as of December 31, 2007, concerning beneficial ownership by:

holders of more than 5% of HP's common stock,

HP directors and nominees and each of the named executive officers set forth in the Fiscal 2007 Summary Compensation Table on page 42, and

current directors and HP executive officers as a group.

The information provided in the table is based on HP's records, information filed with the SEC and information provided to HP, 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 power or investment power and also any shares that the entity or individual has the right to acquire as of February 29, 2008 (60 days after December 31, 2007) through the exercise of any stock option or other right. 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.

**BENEFICIAL OWNERSHIP TABLE**

Name of Beneficial Owner	Amount of Beneficial Ownership	Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class
<b>Beneficial Owners of More than 5%:</b>			
<b>FMR Corp.</b> 82 Devonshire Street Boston, Massachusetts 02109	143,849,636 <sup>(2)</sup>		5.60%
<b>Current Directors and Nominees:</b>			
<b>Lawrence T. Babbio, Jr.</b>	34,997	Direct	
	95,858	Vested Options	
	<u>130,855</u>		*
<b>Sari M. Baldauf</b>	3,633	Direct	
	17,332	Vested Options	
	<u>20,965</u>		*
<b>Richard A. Hackborn</b>	48,490	Direct	
	40,000	Vested Options	
	<u>88,490</u>		*
<b>John H. Hammergren</b>	1,708	Direct	
	2,600	Indirect <sup>(3)</sup>	
	17,332	Vested Options	

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Name of Beneficial Owner	Amount of Beneficial Ownership	Nature of Beneficial Ownership <sup>(1)</sup>	Percent of Class
	21,640		*
<b>Joel Z. Hyatt</b>	3,650	Direct	
	200	Indirect <sup>(4)</sup>	
	3,850		*
	26		

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<b>John R. Joyce</b>	2,738	Direct	
	<u>2,738</u>		*
<b>Robert L. Ryan</b>	4,974	Direct	
	<u>4,974</u>		*
<b>Lucille S. Salhany</b>	32,205	Direct	
	77,310	Vested Options	
	<u>109,515</u>		*
<b>G. Kennedy Thompson</b>	6,395	Direct	
	<u>6,395</u>		*
<b>Current Director, Nominee and Named Executive Officer:</b>			
<b>Mark V. Hurd</b>	549,572	Direct	
	575,000	Vested Options	
	<u>1,124,572</u>		*
<b>Current Named Executive Officers:</b>			
<b>Vyomesh I. Joshi</b>	97,272	Direct	
	170,008	Indirect <sup>(5)</sup>	
	1,323,358	Vested Options	
	<u>1,590,638</u>		*
<b>Catherine A. Lesjak</b>	59,928	Direct	
	306	Indirect <sup>(6)</sup>	
	141,058	Vested Options	
	<u>201,292</u>		*
<b>Ann M. Livermore</b>	98,366	Direct	
	3,851	Indirect <sup>(7)</sup>	
	2,480,532	Vested Options	
	<u>2,582,749</u>		*
<b>Shane V. Robison</b>	102,576	Direct	
	40,968	Indirect <sup>(8)</sup>	
	428,750	Vested Options	
	<u>572,294</u>		*
<b>All current directors and executive officers as a group (21 persons)</b>	8,267,991	(9)(10)	*
<b>Former Director and Named Executive Officer:</b>			
<b>Robert P. Wayman<sup>(11)</sup></b>	157,512	Direct	
	119,450	Indirect <sup>(12)</sup>	

958,576

Vested Options

1,235,538

\*

\*

Represents holdings of less than one percent.

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- (1) Pursuant to Rule 13d-3(d)(1) of the Exchange Act, "Vested Options" are options that may be exercised as of February 29, 2008 (60 days after December 31, 2007).
- (2) The information provided with respect to the holdings of FMR Corp. is based on a Schedule 13G filed with the SEC on February 14, 2007 by FMR Corp. 122,124,672 shares are beneficially owned by Fidelity Management & Research Company, a registered investment adviser and a wholly-owned subsidiary of FMR Corp. ("Fidelity"), as a result of acting as investment adviser to various registered investment companies (the "Funds"), of which Edward C. Johnson 3d, FMR Corp., through its control of Fidelity, and the Funds each has sole power to dispose of the 122,124,672 shares owned by the Funds. Members of the family of Edward C. Johnson 3d, Chairman of FMR Corp., are the predominant owners, directly or through trusts, of Series B shares of common stock of FMR Corp., representing 49% of the voting power of FMR Corp. The Johnson family group and all other Series B shareholders of FMR Corp. have entered into a shareholders' voting agreement under which all Series B shares will be voted in accordance with the majority vote of Series B shares. Neither FMR Corp. nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the Funds, which power resides with the Funds' Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds' Boards of Trustees. 232,500 shares are beneficially owned by Fidelity Management Trust Company, a bank and a wholly-owned subsidiary of FMR Corp., as a result of serving as investment manager of institutional accounts. Edward C. Johnson 3d and FMR Corp., through its control of Fidelity Management Trust Company, each has sole dispositive power over the 232,500 shares and sole power to vote or to direct the voting of the 232,500 shares owned by the institutional accounts. 85,803 are shares beneficially owned by Strategic Advisers, Inc., an investment adviser and a wholly-owned subsidiary of FMR Corp., as a result of its providing investment advisory services to individuals. 4,997,403 shares are beneficially owned by Pyramid Global Advisors, LLC ("PGALLC"), a registered investment adviser and an indirect wholly-owned subsidiary of FMR Corp., as a result of its serving as investment adviser of institutional accounts, non-U.S. mutual funds or registered investment companies owning such shares. Edward C. Johnson 3d and FMR Corp., through its control of PGALLC, each has sole dispositive power over 4,997,403 shares and sole power to vote or to direct the voting of 4,997,403 shares owned by the institutional accounts or funds advised by PGALLC. 6,274,518 shares are beneficially owned by Pyramid Global Advisors Trust Company ("PGATC"), a bank and an indirect wholly-owned subsidiary of FMR Corp., as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR Corp., through its control of PGATC, each has sole dispositive power over 6,274,518 shares and sole power to vote or to direct the voting of 6,203,118 shares owned by the institutional accounts managed by PGATC. 10,134,740 shares are beneficially owned by Fidelity International Limited ("FIL"), a qualified institution, and various foreign-based subsidiaries, as a result of their providing investment advisory and management services to a number of non-U.S. investment companies and certain institutional investors. Partnerships controlled by members of the family of Edward C. Johnson 3d and FIL, or trusts for their benefit, own shares of FIL voting stock with the right to vote approximately 47% of the total votes of the outstanding FIL voting stock. FMR Corp. and FIL are separate and independent corporate entities with their Boards of Directors general composed of different individuals. FIL has sole dispositive power over 10,134,740 shares, sole power to vote or direct the voting of 9,053,935 shares and no power to vote or direct the voting of 1,080,805 shares. The address for FMR Corp., Fidelity, Fidelity Management Trust Company and Strategic Advisers, Inc. is 82 Devonshire Street, Boston, Massachusetts 02109, the address for PGALLC and PGATC is 53 State Street, Boston, Massachusetts 02109, and the address for FIL is Pembroke Hall, 42 Crowlane, Hamilton, Bermuda. The Schedule 13G filed by FMR Corp. contained information as of February 14, 2007 and may not reflect current holdings of HP's common stock.
- (3) 2,600 shares are held by the Hammergren Family Trust.
- (4) 200 shares are held by Mr. Hyatt in a living trust.
- (5) 170,008 shares are held by Mr. Joshi in a living trust.
- (6) 306 shares are held by Ms. Lesjak's husband.
- (7) 3,851 shares are held by Ms. Livermore in the HP 401(k) Plan.
- (8) 40,968 shares are held by Mr. Robison in a living trust.
- (9) Includes an aggregate of 6,275,075 shares that the current directors and executive officers have the right to acquire as of February 29, 2008.
- (10) Includes an aggregate of 6,513,782 shares held by current directors and executive officers in fiduciary or beneficial capacities.
- (11) Mr. Wayman retired as Executive Vice President and Chief Financial Officer on December 31, 2006. He also did not stand for election at HP's 2007 annual meeting of stockholders, so his service as a member of the Board of Directors ended on March 14, 2007.
- (12) 20,938 shares are held by Mr. Wayman in the HP 401(k) Plan, 95,142 shares are held by the Wayman Family Trust and 3,370 shares are held for the benefit of Mr. Wayman's son.



**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act, requires our directors, executive officers and holders of more than 10% of HP common stock to file reports with the SEC regarding their ownership and changes in ownership of our securities. HP believes that, during fiscal 2007, its directors, executive officers and 10% stockholders complied with all Section 16(a) filing requirements, with the exceptions noted herein. One late Form 4 was filed by Brian Humphries on November 17, 2006 to report an employee service award received on November 9, 2006. One late Form 4 was filed by John N. McMullen on May 18, 2007 to report the release of shares of restricted stock on April 18, 2007. In making these statements, HP has relied upon an examination of the copies of Forms 3, 4, and 5, and amendments thereto, and the written representations of its directors, executive officers and 10% stockholders.

**TRANSACTIONS WITH RELATED PERSONS**

**Related Person Transaction Policies and Procedures**

HP has adopted a written policy for approval of transactions between HP and its directors, director nominees, executive officers, beneficial owners of more than 5% of HP's common stock, and their respective immediate family members where the amount involved in the transaction exceeds or is expected to exceed \$100,000 in a single calendar year.

The policy provides that the Nominating and Governance Committee reviews certain transactions subject to the policy and decides whether or not to approve or ratify those transactions. In doing so, the Nominating and Governance Committee determines whether the transaction is in the best interests of HP. In making that determination, the Nominating and Governance 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 HP;

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

The availability of other sources for comparable products or services; and

The terms of the transaction.

The Nominating and Governance Committee has delegated authority to the chair of the Nominating and Governance 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 Nominating and Governance Committee for its review in connection with each of the committee's regularly scheduled meetings.

The Nominating and Governance 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 HP's HR and Compensation Committee approved (or recommended that the Board approve) such compensation;
2. Director compensation;





3.