

**HEWLETT-PACKARD LIMITED RETIREMENT BENEFITS PLAN  
HEWLETT-PACKARD SECTION (THE PLAN)  
RECOVERY PLAN**

**Introduction**

This recovery plan has been prepared by Hewlett Packard Enterprise UK Pension Trustee Limited (the Trustee) to satisfy the requirements of Section 226 of the Pensions Act 2004, after obtaining the advice of David Eteen, the Scheme Actuary and after obtaining the agreement of Hewlett-Packard Limited (the Principal Employer).

It has been prepared between actuarial valuations following an annual review which has resulted in a change in contributions in line with the Plan's Funding Agreement. The latest actuarial valuation of the Plan was as at 31 October 2015, and revealed a funding shortfall (Technical Provisions minus value of assets) of £154,100,000.

When determining this recovery plan, allowance has been made for £34,300,000 paid into the Plan in March 2016 and £50,200,000 paid into the Plan in March 2017. An interest payment of £257,000 was also paid in October 2017.

**Steps to be taken to ensure that the statutory funding objective is met**

The Trustee and the Employer anticipate that over the remaining period of the recovery plan investment returns will cover benefits in excess of Salary Sacrifice Funding Obligation Contributions being earned and expenses, as well as the funding shortfall. Therefore the Trustee and the Employer have agreed that nil Ongoing Funding Obligation Contributions (in excess of Salary Sacrifice Funding Obligation Contributions) will be payable each year in order to eliminate the deficit.

**Period in which the statutory funding objective should be met**

Under this recovery plan, if the assumptions made are borne out in practice the funding shortfall will be eliminated by 31 October 2021. The assumptions are:

- Technical Provisions will continue to be calculated according to the method and assumptions set out in the statement of funding principles dated 30 June 2017, allowing for the expected change in the discount rate over the recovery period based on yield curves as at 31 October 2015. In particular, it is assumed that the discount rate used to calculate the Technical Provisions as at 31 October 2021 is equal to 3.63% p.a.
- Future experience from the date of the actuarial valuation will be in line with the assumptions underlying the Technical Provisions as at that date, except that the future investment returns during the recovery period will be as set out below:
  - 6.33% p.a. from 31 October 2015 to 31 October 2016
  - 5.53% p.a. from 31 October 2016 to 31 October 2017
  - 4.16% p.a. from 31 October 2017 to 31 October 2018
  - 4.04% p.a. from 31 October 2018 to 31 October 2019
  - 3.93% p.a. from 31 October 2019 to 31 October 2020
  - 3.93% p.a. from 31 October 2020 to 31 October 2021

As stated in the Statement of Funding Principles, the assumed investment returns allow for de-risking in accordance with the Funding Level Triggers set out in the Funding Agreement.

- The above returns are assumed to apply to both existing assets and future contributions held in respect of final salary liabilities

**Signed on behalf of the Trustee**

Signature: Andrew J Dodd

Name: Andrew Dodd

Date: 24/01/18.

Position: Chairman of the Trustee

Signature: Gill Manning

Name: Gill Manning

Date: 24.01.18.

Position: Trustee director

**Signed on behalf of Hewlett-Packard Limited (the Employer)**

Signature: P. A. Oram

Name: PHILIPPA ORAM.

Date: 25/01/18

Position: Director

Date the recovery plan was "prepared" for the purposes of Scheme Funding Regulation 8(6)): 24 January 2018