

Hewlett-Packard Company Board of Directors HR and Compensation Committee Charter

I. Purpose

The purpose of the HR and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Hewlett-Packard Company (“HP”) is:

1. To discharge the responsibilities of the Board relating to compensation of HP’s executives and directors;
2. To produce an annual report on executive compensation for inclusion in HP’s proxy statement (in accordance with applicable rules and regulations);
3. To provide general oversight of HP’s compensation structure including equity compensation plans and benefits programs;
4. To review and provide guidance on HP’s HR programs such as its global workforce programs, talent review and leadership development and best place to work initiatives; and
5. To perform such other duties and responsibilities as are enumerated in and consistent with this charter.

II. Membership

1. Membership and Appointment. The Committee will consist of three directors, or such greater number of directors as the Board appoints.
2. Qualifications; Independence. Each director on the Committee will have such qualifications as the Board determines. In addition, each director on the Committee will be independent within the meaning of applicable laws or listing standards, as the Board determines. In addition, members of the Committee will qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “1934 Act”), and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code.
3. Removal. The entire Committee or any individual director on the Committee may be removed with or without cause by the affirmative vote of a majority of the Board upon the recommendation of the Nominating and Governance Committee.
4. Chairman. The Board may designate a Chairman of the Committee (the “Chairman”). In the absence of such designation, the Committee may designate the Chairman by majority vote of the Committee. From time to time the Chairman may

establish such other rules as are necessary and proper for the conduct of the business of the Committee.

III. Procedures

1. Number of Meetings. The Committee will convene at least four times each year, with additional meetings as appropriate.
2. Agenda. The Chairman will establish the agenda, with input from management, staff and other directors on the Committee and the Board as appropriate.
3. Executive Sessions. As appropriate, the Committee may meet in executive sessions.
4. Delegation of Authority.
 - a. The Committee may create a subcommittee of the Committee consisting of one or more directors on the Committee and may delegate any of its duties and responsibilities to such subcommittee, unless otherwise prohibited by applicable laws or listing standards.
 - b. The Committee may delegate any of its duties and responsibilities, including the administration of equity incentive or employee benefit plans, to one or more directors on the Committee, another director or other persons, unless otherwise prohibited by applicable laws or listing standards.
 - c. Any subcommittee, director or other person will provide a written or oral report to the Committee regarding any activities undertaken pursuant to such delegation.
 - d. The Committee may terminate any such subcommittee and revoke any such delegation at any time.
5. Authority to Retain Advisors. In the course of its duties, the Committee will have sole authority, at HP's expense, to engage and terminate outside compensation consultants, counsel, and other experts and advisors as the Committee deems advisable, with respect to the evaluation of director, Chief Executive Officer ("CEO") or executive compensation or other matters, including the sole authority to approve the consultant or advisor's fees and other retention terms.
6. Charter Review. The Committee annually will review and reassess the adequacy of this charter and will submit any recommended changes to the charter to the Nominating and Governance Committee and the Board for approval.
7. Performance Review. The Committee annually will undertake an evaluation assessing its performance with respect to its purposes and its duties and tasks set forth in this charter, and will report the results of such evaluation to the Nominating and Governance Committee and the Board.

8. Reporting to the Board. The Committee will report regularly to the Board with respect to the Committee's activities. As a matter of practice, the Committee expects to discuss with the Board significant matters, such as material changes to executive officer (within the meaning of Section 16 of the 1934 Act, as amended ("Section 16 Executive Officer")) compensation and severance arrangements, and other significant matters.

IV. Responsibilities

The following responsibilities of the Committee are set forth as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable laws and listing standards.

1. Evaluate Human Resources and Compensation Strategies. The Committee will oversee and evaluate HP's overall human resources and compensation structure, policies and programs, and assess whether these establish appropriate incentives and leadership development opportunities for management and other employees. The Committee will oversee HP's total rewards program in order to attract and retain key talent and promote HP's best place to work initiative.
2. Oversee Executive Succession Planning and Leadership Development. The Committee will review senior management selection and oversee executive succession planning. As part of this process, the Committee will review the leadership development process for senior management positions. The Committee also will review compensation, incentive and other programs to promote such development.
3. Conduct Executive Performance Review and Set Executive Compensation. The Committee will review and approve corporate goals and objectives relevant to the compensation of the CEO of HP, evaluate the performance of the CEO in light of those goals and objectives and approve the CEO's annual compensation level, including salary, bonus, stock options, other stock incentive awards and long-term cash incentive awards, based on this evaluation. The Committee will also review and approve the annual compensation levels of other Section 16 Executive Officers, including salaries, bonuses, stock options, other stock incentive awards and long-term cash incentive awards, and evaluate the performance of the other Section 16 Executive Officers. In addition, the Committee, in its discretion, may review and act upon management proposals to designate key employees to receive stock options and stock or other bonuses.
4. Approve Severance Arrangements and Other Applicable Agreements. The Committee will review and approve severance arrangements for the CEO and other Section 16 Executive Officers, including change-in-control provisions, plans or agreements, and, to the extent that any such agreements are entered into, employment agreements for the CEO and other Section 16 Executive Officers.

5. External Reporting of Compensation Matters. The Committee will produce an annual report on executive compensation in HP's proxy statement as required by the rules of the U.S. Securities and Exchange Commission.
6. Oversight of Equity-Based and Incentive Compensation Plans. The Committee will supervise and administer HP's incentive compensation and equity-based plans and may approve, amend, modify, interpret or ratify the terms of, or terminate, any such plan to the extent that such action does not require shareholder approval; make recommendations to the Board with respect to incentive-compensation plans and equity-based plans as appropriate; provide for accelerated vesting of options, foreign stock appreciation rights ("FSARs"), stock appreciation rights ("SARs") and restricted stock and units, and determine the post-termination exercise periods for such awards, in connection with divestitures or otherwise; and delegate certain of such functions to the extent set forth herein.
7. Oversight of Employee Benefit Plans. The Committee will monitor the effectiveness of non-equity based benefit plan offerings, in particular benefit plan offerings and perquisites pertaining to Section 16 Executive Officers, and approve any material new employee benefit plan or change to an existing plan that creates a material financial commitment by HP. In its discretion, the Committee may otherwise approve, amend, modify, ratify or interpret the terms of, or terminate, any non-equity based benefit plan or delegate such authority to the extent set forth herein.
8. Monitor Workforce Management Programs. The Committee will monitor the effectiveness of workforce management programs that are global in scope, including global restructuring programs. The Committee also will periodically review reports in order to monitor workforce diversity and equal employment opportunity issues.
9. Set Director Compensation. The Committee will establish compensation policies and practices for directors for service on the Board and its committees, as well as for the Chairman of the Board. The Committee will recommend to the Board and regularly review the appropriate level of director compensation.
10. Monitor Director and Executive Stock Ownership. The Committee will develop and monitor compliance by Section 16 Executive Officers and directors with HP's stock ownership guidelines and periodically review such guidelines.