

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

**Introduction**

This recovery plan has been prepared by the Trustees 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 a change in future accrual which requires a change to the Schedule of Contributions. The latest completed actuarial valuation of the Plan was carried out as at 31 October 2012, which revealed a funding shortfall (Technical Provisions minus value of assets) of £257.0M. An actuarial valuation is currently being carried out as at 31 October 2015.

When determining this recovery plan, allowance has been made for:

- £32,800,000 paid into the Plan in March 2013
- £20,100,000 paid into the Plan in March 2014
- £119,400,000 paid into the Plan in March 2015
- £34,300,000 paid into the Plan in March 2016
- Results of full actuarial calculations carried out as at 31 October 2015

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

The Trustees and employers anticipate that investment returns will cover benefits in excess of Employer Salary Sacrifice Ordinary Member Contributions being earned in the future and expenses, as well as part of the funding shortfall. To eliminate the remaining funding shortfall, the Trustees and employers have agreed that Employer Annual Contributions (in excess of Employer Salary Sacrifice Ordinary Member Contributions) will be payable each year in order to eliminate the deficit. These contributions are set out below:

Due Date	Required Employer Annual Contribution:
30 April 2017	£32,500,000
31 October 2017	£5,000,000 plus interest*
30 April 2018	£9,100,000
30 April 2019	£11,500,000
30 April 2020	£8,400,000
30 April 2021	£4,200,000

\* Interest will be applied from 30 April 2016 to date of payment at a rate of 6.33% p.a.

**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 30 April 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 16 January 2014, but based on financial conditions as at the date of certification of the Schedule of Contributions to allow for experience from the date of the actuarial valuation to date of certification
- Future experience from the date of certification of the Schedule of Contributions 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 6.33% p.a. from then onwards. This is on both existing assets and future contributions held in respect of final salary liabilities

Signed on behalf of the Trustees of the Hewlett-Packard Limited Retirement Benefits Plan:



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Name: Jonathan Lord

Position: Chairman of the Trustees of the Plan

Date: 14 April 2016

Signed on behalf of Hewlett-Packard Limited:



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Name: Martin Conlon

Position: Director

Date: 27<sup>th</sup> April 2016

*Note: Hewlett-Packard Limited has been nominated as the participating employers' representative for this purpose.*

Date the recovery plan was "prepared" for the purposes of Scheme Funding Regulation 8(6):  
14 April 2016