

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

Filing Date: **2002-12-11** | Period of Report: **2002-12-06**  
SEC Accession No. **0001047469-02-006584**

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### FILER

#### HEWLETT PACKARD CO

CIK: **47217** | IRS No.: **941081436** | State of Incorporation: **DE** | Fiscal Year End: **1031**  
Type: **8-K** | Act: **34** | File No.: **001-04423** | Film No.: **02854830**  
SIC: **3570** Computer & office equipment

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**December 6, 2002**

Date of Report (Date of Earliest Event Reported)

**HEWLETT-PACKARD COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-4423**  
(Commission  
File Number)

**94-1081436**  
(I.R.S. Employer  
Identification No.)

**3000 Hanover Street, Palo Alto, CA 94304**  
(Address of principal executive offices) (Zip code)

**(650) 857-1501**  
(Registrant's telephone number, including area code)

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**Item 5. Other Events.**

This Current Report on Form 8-K (including the documents included as exhibits 4.1 - 4.3 hereto) is filed to be, and is hereby, incorporated by reference into our Registration Statement on Form S-3 (No. 333-83346), which was declared effective on March 11, 2002. This Report and the exhibits hereto relate to the offering from time to time of up to \$1,500,000,000 aggregate principal amount of our Medium-Term Notes Series B, Due Nine Months or More from the Date of Issue.

**Item 7. Financial Statements and Exhibits.**

The following exhibits are being filed with this report:

- |             |                             |
|-------------|-----------------------------|
| Exhibit 4.1 | Form of Fixed Rate Note.    |
| Exhibit 4.2 | Form of Floating Rate Note. |



[FACE OF SECURITY]

CUSIP:

[Insert if the Security is to be a Global Security—This Note is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Global Security is exchangeable for Notes registered in the name of a Person other than the Depository or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Note (other than a transfer of this Note as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in such limited circumstances.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

**HEWLETT-PACKARD COMPANY  
MEDIUM-TERM NOTE  
(Due nine months or more from date of issue)  
(Fixed Rate)**

**Registered No. R-**

**Original Issue Date:**

**Principal Amount: \$**

**Maturity Date:**

**Designation:**

**Fixed Rate Medium-Term  
Notes Due**

**Interest Rate:**

**Interest Rate Reset:**

**Optional Reset Date:**

Yes

No

**Basis or Formula for Interest Rate Reset:**

**Specified Currency:**

U.S. Dollars

Other

**Option to Elect Payment in U.S. Dollars (only  
applicable if Specified Currency is other than  
U.S. Dollars):**

**Dual Currency Note:**

Yes  No

Yes

No

**Issue Price as a percentage of Principal Amount:**

**Exchange Rate Agent (if other than J.P. Morgan Trust Company,  
National Association):**

**Interest Payment Dates:**

**Regular Record Dates: Fifteenth calendar day (whether or not a Business Day) prior to the corresponding Interest Payment Date**

**Original Issue Discount Note:**

**Total Amount of OID:**

Yes  No

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**Redemption Date(s) (including any applicable regular or special record dates):**

**Redemption Price(s):**

**Subject to Tax Redemption by the Company (including payment of Additional Amounts):**

**Tax Redemption Price(s) (if other than 100% of the Principal Amount):**

Yes  No

**Stated Maturity Extension Option:**

**Extension Period(s) and Final Maturity Date (only applicable if option to extend stated maturity):**

Yes  No

**Repurchase Price(s):**

**Repurchase Date(s) (including any applicable regular or special record dates):**

**Basis for Interest Rate During Extension Period (only applicable if option to extend stated maturity):**

Option of the Company  
 Option of the Holder

**Currency Indexed Note (check if yes):**  (if yes, see attachment)

**Amortizing Note (check if yes):**  (if yes, see attachment)

**Form:**

**Other Terms:**

Book Entry  Certificated

HEWLETT-PACKARD COMPANY, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company," which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to [Insert if the Security is to be a Certificated Security—,] [Insert if the Security is to be a Global Security—Cede & Co., as nominee for The Depository Trust Company], or registered assigns, the Principal Amount stated above on the Maturity Date specified above, and to pay interest on the Interest Payment Dates specified above on said Principal Amount at the Interest Rate specified above from the Interest Payment Date next preceding the date of authentication of this Note to which interest has been paid on the Notes, unless the date of authentication of this Note is a date to which interest has been paid, in which case from the date of authentication of this Note, or unless no interest has been paid on the Notes, in which case from the Original Issue Date specified above, until payment of said Principal Amount has been made or duly provided for. Notwithstanding the foregoing, if the date of authentication of this Note is after a Regular Record Date specified above and before the next following Interest Payment Date, this Note shall bear interest from such Interest Payment Date, unless the Company shall default in the payment of interest due on such Interest Payment Date, in which case this Note shall bear interest from the next preceding Interest Payment Date to which interest has been paid on the Notes, or unless no interest has been paid on the Notes, in which case this Note shall bear interest from the Original Issue Date. If the Interest Payment Date, other than any Interest Payment Date that is also the Maturity Date of this Note, is not a Business Day, the Interest Payment Date will be postponed until the next day that is a Business Day and interest will continue to accrue to such day that is a Business Day.

The interest so payable on any Interest Payment Date will be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date, unless the Original Issue Date is after a Regular Record Date

and before the next following Interest Payment Date, in which case interest will be paid on the Interest Payment Date following the next succeeding Regular Record Date to the Person in whose name the Note is registered at the close of business on such next succeeding Regular Record Date, unless the Company shall

default in the payment of interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest established in accordance with the Indenture, provided, however, that interest payable at the Maturity Date will be payable to the person to whom principal is payable.

Unless otherwise specified on the face hereof, payments of principal of (and premium, if any) and interest on this Note will be made in the applicable Specified Currency, *provided, however*, that if this Note is denominated in a Specified Currency other than United States dollars (a "Foreign Currency Note") payments of principal of (and premium, if any) and interest hereon will

[Insert if the Security is to be a Global Security—be made in United States dollars unless the beneficial holder hereof gives notice to the Depository that it elects to receive payments in such Specified Currency. Such notice must be given by the beneficial holder of this Note to the participant of the Depository through which its interest is held on or before the applicable Regular Record Date, in the case of a payment of interest, and on or before the sixteenth day, whether or not a Business Day, before the Stated Maturity, in the case of principal or premium, of the beneficial owner's election to receive all or a portion of any payment in a Specified Currency. The participant must notify the Depository of any election on or before the third business day after the Regular Record Date. The Depository will notify the Paying Agent of the election, the portion of the payment to be made by the Paying Agent in the Specified Currency and the applicable wire transfer instructions, on or before the fifth Business Day after the Regular Record Date. If complete instructions are received by the participant and forwarded to the Depository, and forwarded by the Depository to the Paying Agent, on or before the relevant dates, the beneficial owner of this Note will receive payments in the Specified Currency. In such event, the Paying Agent will pay the beneficial holder directly.]

[Insert if the Security is to be a Certificated Security—be made in the applicable Specified Currency unless the Holder hereof elects to receive all payments in respect hereof in United States dollars by delivery of a written request to the Trustee on or prior to the applicable Regular Record Date or at least 15 days prior to Maturity, as the case may be. Such election may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A Holder of such a Note may elect to receive payment in United States dollars for all principal (and premium, if any) and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of such revocation must be received by the Trustee on or prior to the applicable Regular Record Date or at least 15 days prior to Maturity, as the case may be.]

Payment of the principal of (and premium, if any) and interest on this Note due at Maturity in United States dollars will be made in immediately available funds, provided that this Note is presented to the Trustee in time for the Trustee to make such payment in accordance with its normal procedures.

[Insert if the Security is to be a Global Security—Payment of the principal of (and premium, if any) and interest (other than interest payable at Maturity) on this Note in United States dollars will be made by transfer of immediately available funds to the Depository or its nominee.]

[Insert if the Security is to be a Certificated Security—Payment of the principal of (and premium, if any) and interest on this Note due at Maturity and interest on this Note due other than at Maturity, in United States dollars will be made at the office or agency of the Company maintained for that purpose, which shall initially be the corporate trust office of the Trustee located in the Borough of Manhattan, The City of New York, in immediately available funds. Notwithstanding the foregoing, payment of interest (other than interest due at Maturity) may, at

the option of the Company, be made by United States dollar check mailed to the address of the Person entitled thereto as of the applicable Record Date, as such address shall appear in the Security Register.]

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All payments of principal (and premium, if any) and interest in a Specified Currency other than United States dollars will be made in the manner set forth on the reverse hereof.

This Note is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (hereinafter called the "Securities"), of the series designated above (herein called the "Notes"), all issued or to be issued under an Indenture dated as of June 1, 2000, for senior debt securities (hereinafter called the "Indenture"), duly executed and delivered by the Company to J.P. Morgan Trust Company, National Association, a national banking association existing under the laws of the United States of America, as trustee (hereinafter called the "Trustee"), to which Indenture reference is hereby made for a description of the respective rights and duties thereunder of the Trustee, the Company and the holders of the Securities. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest at different rates, may be subject to redemption provisions, repurchase provisions, covenants and Events of Default and on other provisions, and may otherwise vary as provided in the Indenture.

Reference is made to the further provisions of this Note set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture.

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

HEWLETT-PACKARD COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

This is one of the Securities of the Series designated herein issued under the within-mentioned Indenture.

J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

## [REVERSE OF SECURITY]

HEWLETT-PACKARD COMPANY  
MEDIUM-TERM NOTE  
(Fixed Rate)

Interest payments for this Note will include interest accrued from and including the last date in respect of which interest has been paid or duly provided for (or from and including the Original Issue Date if no interest has been paid or provided for) to but excluding the Interest Payment Dates. Interest payments for this Note shall be computed and paid on the basis of a 360-day year of twelve 30-day months.

**Interest Rate Reset**

If the Company has the option with respect to this Note to reset the Interest Rate, such option will be indicated on the face hereof, together with (i) the date or dates on which such Interest Rate may be reset (each an "Optional Reset Date") and (ii) the basis or formula, if any, for such resetting. Unless otherwise specified on the face hereof, the Company may exercise such option by notifying the Trustee of such exercise at least 45 but not more than 60 days (unless otherwise specified on the face hereof) prior to an Optional Reset Date. Not later than 40 days (unless otherwise specified on the face hereof) prior to such Optional Reset Date, the Trustee will mail to the Holder hereof a notice (the "Reset Notice"), first class, postage prepaid, setting forth (i) the election of the Company to reset the Interest Rate, (ii) such new interest rate, and (iii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or, if there is no such next Optional Reset Date, to the Stated Maturity of this Note (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during such Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days (unless otherwise specified on the face hereof) prior to an Optional Reset Date, the Company may, at its option, revoke the interest rate provided for in the Reset Notice and establish a higher interest rate for the Subsequent Interest Period commencing on such Optional Reset Date by mailing or causing the Trustee to mail notice of such higher interest rate first class, postage prepaid, to the Holder hereof. Such notice shall be irrevocable. If the Interest Rate is reset on an Optional Reset Date this Note will bear such higher interest rate.

If the Company elects to reset the Interest Rate of this Note, the Holder hereof will have the option to elect repayment of this Note by the Company on any Optional Reset Date at a price equal to the principal amount hereof plus any accrued interest to such Optional Reset Date. In order for this Note to be so repaid on an Optional Reset Date, the Holder hereof must follow the procedures set forth below for optional repurchase, except that the period for delivery of this Note or notification to the Trustee shall be at least 25 but not more than 35 days (unless otherwise specified on the face hereof) prior to such Optional Reset Date and except that a Holder who has tendered this Note for repayment pursuant to a Reset Notice may, by written notice to the Trustee, revoke any such tender for repayment until the close of business on the tenth day prior to such Optional Reset Date.

**Dual Currency Notes**

This Note may be issued as a Note in which the Company has a one-time option to pay the principal, premium, if any, and interest, if any, on this Note in an optional currency specified on the face hereof under "Other Terms") that is a different currency from the Specified Currency of this Note ("Dual Currency Notes"). Specific information pertaining to Dual Currency Notes shall be included

above under "Other Terms," and shall include, without limitation, Specified Currency for the dual currency note:



the Specified Currency;

the Optional Payment Currency;

the Designated Exchange Rate;

the Option Election Dates; and

the Interest Payment Dates for Dual Currency Notes.

The amounts payable and the method for calculating these amounts with respect to Dual Currency Notes and any additional terms and conditions of any issue of dual currency notes will be specified on the face hereof.

### **Extension of Stated Maturity**

If the Company has the option to extend the Stated Maturity of this Note for one or more periods (each an "Extension Period") up to but not beyond the date (the "Final Maturity Date") set forth on the face hereof, such option will be indicated on the face hereof together with the basis or formula, if any, for setting the interest rate applicable to any such Extension Period. The Company may exercise such option with respect to this Note by notifying the Trustee of such exercise at least 45 but not more than 60 days (unless otherwise specified on the face hereof) prior to the Stated Maturity in effect prior to the exercise of such option (the "Original Stated Maturity"). No later than 40 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity, the Trustee will mail to the Holder hereof a notice (the "Extension Notice") relating to such Extension Period, first class, postage prepaid, setting forth (i) the election of the Company to extend the Stated Maturity hereof, (ii) the new Stated Maturity, (iii) the interest rate applicable to the Extension Period, and (iv) the provisions, if any, for redemption during the Extension Period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Extension Period. Upon the mailing by the Trustee of an Extension Notice to the Holder of this Note, the Stated Maturity of this Note shall be extended automatically as set forth in the Extension Notice, and, except as modified by the Extension Notice and as described in the next paragraph, this Note will have the same terms as prior to the mailing of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity for this Note, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by mailing or causing the Trustee to mail notice of such higher interest rate first class, postage prepaid, to the Holder hereof. Such notice shall be irrevocable. All Notes with respect to which the Stated Maturity is extended will bear such higher interest rate for the Extension Period.

If the Company elects to extend the Stated Maturity of this Note, the Holder hereof will have the option to elect repayment of this Note by the Company at the Original Stated Maturity at a price equal to the principal amount hereof plus any accrued interest to such date. In order for this Note to be so repaid on the Original Stated Maturity, the Holder hereof must follow the procedures set forth below for optional repurchase, except that the period for delivery of this Note or notification to the Trustee shall be at least 25 but not more than 35 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity and except that a Holder who has tendered this Note for repurchase pursuant to an Extension Notice may, by written notice to the Trustee, revoke any such tender for repayment until the close of business on the tenth day prior to the Original Stated Maturity.

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### **Redemption and Repurchase by the Company**

Unless one or more Redemption Date or Repurchase Date is specified on the face hereof, this Note shall not be redeemable or subject to repurchase at the option of the Company before the Maturity Date specified on the face hereof. If one or more Redemption Dates or one or more Repurchase Dates is so specified, this Note is subject to redemption or repurchase, as the case may be, on any such date at the option of the Company, upon notice by first-class mail, mailed not less than 30 days nor more than 60 days (unless otherwise specified on the face hereof) prior to the applicable Redemption Date or Repurchase Date, as the case may be, specified in such notice, at the applicable Redemption Price or Repurchase Price, as the case may be, specified on the face hereof (expressed as a percentage of the principal amount of this Note), together in the case of any such redemption with accrued interest to the Redemption Date or Repurchase Date, as the case may be. Unless otherwise specified on the face hereof, the Company may elect to redeem less than the entire principal amount hereof.

### **Repurchase at the Option of the Holder**

Unless one or more Repurchase Dates at the option of the Holder is specified on the face hereof, this Note shall not be repayable at the option of the Holder on any date prior to the Maturity Date specified on the face hereof. If one or more Repurchase Dates is so specified, this Note is subject to repurchase on any such date at the option of the Holder at the applicable Repurchase Price specified on the face hereof (expressed as a percentage of the principal amount of this Note), together in the case of any such repayment with accrued interest to the Repurchase Date, but interest installments whose Stated Maturity is prior to the Repurchase Date will be payable to the Holder of this Note, or one or more Predecessor Notes, of record at the close of business on the relevant Regular Record Dates referred to on the face hereof. For this Note to be repaid at the option of the Holder, the Trustee must receive at the principal office of its Corporate Trust Department in The City of New York, at least 30 days but not more than 45 days (unless otherwise specified on the face hereof) prior to the Repurchase Date on which this Note is to be repaid:

(i) appropriate wire instructions; and

(ii) either (a) the Note with the form entitled "Option to Elect Repurchase" on the reverse of the Note duly completed, or (b) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or trust company in the United States setting forth:

- (1) the name of the holder of the Note;
- (2) the principal amount of the Note;
- (3) the portion of the principal amount of the Note to be repurchased;
- (4) the certificate number or a description of the tenor and terms of the Note;
- (5) a statement that the option to elect repurchase is being exercised; and
- (6) a guarantee that the Note to be repaid with the form entitled "Option to Elect Repurchase" on the reverse of the Note duly completed will be received by the Trustee within five Business Days. The Trustee must actually receive the Note and form duly completed by the fifth Business Day.

Exercise of the repurchase option by the Holder of a Note shall be irrevocable. The Holder of a Note may exercise the repurchase option for less than the entire principal amount of the Note provided that the principal amount of the Note remaining outstanding after repurchase is an Authorized Denomination. No transfer or exchange of any Note will be permitted after exercise of a repurchase

option. If a Note is to be repurchased in part, no transfer or exchange of the portion of the Note to be repurchased will be permitted after exercise of a repurchase option. All questions as to the validity, eligibility, including time of receipt, and acceptance of any note for repurchase will be determined by the Company and its determination will be final, binding and non-appealable.

### **Tax Redemption**

If specified on the face hereof, the Company may redeem the Notes, subject to the provisions herein, as a whole but not in part, at the Company's option, upon not more than 60 days, nor less than 30 days (unless otherwise specified on the face hereof), prior notice to the Holders of the Notes, at a Tax Redemption Price equal to 100% of the Principal Amount of the Notes (unless otherwise specified on the face hereof), or, if applicable, a lesser amount in the case of Original Issue Discount Notes, and premium, if any, together with accrued interest, if any, to Tax Redemption Date, if on the next succeeding interest payment date, the Company will be obligated to:

- (i) pay any Additional Amounts as specified on the face hereof; or
- (ii) account to any federal or state taxing authority for any amount, other than any tax withheld or deducted from interest payable on the Notes, regarding any payment made or to be made on any Note.

If specified on the face hereof, the Company will, subject to certain exceptions and limitations set forth below, pay to the Holder of such Note who is a United States Alien (as defined below), as additional interest, such additional amounts ("Additional Amounts") as may be necessary in order that every net payment on such Note (including payment of the principal of and interest on such Note) by the Company or any specified Paying Agent, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided in such Note to be then due and payable.

However, the Company's obligation to pay Additional Amounts with respect to the Notes will not apply to:

- (1) any tax, assessment or other governmental charge that would not have been so imposed but for the existence of any present or former connection between such Holder or beneficial owner of such Note (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such Holder, if such Holder is an estate or a trust, or a member or shareholder of such Holder, if such Holder is a partnership or corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident of the United States or treated as a resident thereof or being or having been engaged in a trade or business or present therein or having or having had a permanent establishment therein; or such Holder's or beneficial owner's past or present state as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organization with respect to the United States, controlled foreign corporation for United States tax purposes or corporation that accumulates earnings to avoid United States Federal income tax;
- (2) any estate, inheritance, gift, excise, sales, transfer, the wealth or personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organization with respect to the United States, controlled foreign corporation for United States tax purposes or corporation that accumulates earnings to avoid United States Federal income tax;

- (3) any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the Holder of such Note for payment more than 30 days after the date on which such payment became due and payable

or the date on which payment thereof was duly provided for, whichever occurred later;

- (4) any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on such Note;
- (5) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from a payment on such Note, if such payment can be made without such withholding by any other Paying Agent;
- (6) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, information, documentation, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of such Note if such compliance is required by statute or regulation of the United States or by any applicable tax treaty to which the United States is a party as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (7) any tax, assessment or other governmental charge imposed on a Holder that actually or constructively owns 10% or more or the combined voting power or all classes of the Company's stock;
- (8) any tax, assessment or other governmental charge that would not have been imposed or withheld but for the treatment of the interest by the Company as contingent interest described in Section 871(h)(4) of the Internal Revenue Code of 1986, as amended;
- (9) any tax, assessment or other governmental charge that would not have been imposed or withheld but for an election by the Holder the effect of which is to make the payment of the principal of, or interest (other any other amount) on, such Note by the Company or a Paying Agent subject to United States Federal income tax; or
- (10) any combination of items (1), (2), (3), (4), (5), (6), (7), (8) and (9).

In addition, the Company shall not be required to pay Additional Amounts on such Note to a Holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to Additional Amounts (or payment of Additional Amounts would not have been necessary) had such beneficiary, settlor, member or beneficial owner been the Holder of such Note.

For the purposes above, a "United States Alien" means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary, of a foreign estate or trust. "United States" means the United States of America (including the States and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

[Insert if the Security is to be a Certificated Security—In the event of redemption or repayment of this Note in part only, a new Note or Notes of this series and of like tenor and for a principal amount equal to the unredeemed or unrepaid portion will be delivered to the registered Holder upon the cancellation hereof.]

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[Insert if the Security is to be a Global Security—In the event of redemption or repayment of this Note in part only, the principal amount shall be reduced.]

## **General Information Regarding the Notes**

### *Other Definitions*

"Business Day" means (a) with respect to any Note, any day that is not a Saturday or Sunday and that, in The City of New York, is not a day on which banking institutions generally are authorized or obligated by law to close, (b) if the Note is denominated in a Specified Currency other than United States dollars or euros, not a day on which banking institutions are authorized or required by law to close in the financial center of the country issuing the Specified Currency, and (c) if the Note is denominated in euros, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open. As used in the preceding sentence, "financial center" means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Canadian dollars, South African rand and Swiss francs, the "financial center" shall be The City of New York, Sydney, Toronto, Johannesburg and Zurich, respectively.

### *Calculation of Exchange Rates*

If this is a Foreign Currency Note to be paid in United States dollars, the United States dollar amount to be received in respect hereof will be based upon the exchange rate as determined by the Exchange Rate Agent based on the most favorable firm bid quotation for United States dollars received by such Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers in The City of New York selected by the Exchange Rate Agent and approved by the Company (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Specified Currency payable on such payment date in respect of this Note. If three quoting dealers are not available then two dealers will be used. If no such bid quotations are available, payments will be made in the Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, in which case the Company will be entitled to make payments in respect hereof in United States dollars as provided in the manner set forth below. All currency exchange costs will be borne by the Holder hereof by deductions from such payments. The determination of the exchange rate pursuant to the provisions of this Section is referred to herein as the "Market Exchange Rate."

### *Payments in Specified Currencies*

If a Holder is to receive payments in a Specified Currency other than United States dollars as described on the face hereof, payments of principal of (and premium, if any) and interest will be paid in immediately available funds by wire transfer to an account maintained by the Holder with a bank designated by the Holder (which in the case of Global Securities will be the Depository or its nominee) on or prior to the Regular Record Date or at least 15 days prior to Maturity, as the case may be, in the case of Certificated Securities or, in the case of Global Securities, in the manner specified on the face hereof in the third paragraph thereof following the summary of terms, provided that such bank has the appropriate facilities for such a payment in the Specified Currency, *provided, however*, that with respect to payments of principal and premium, if any, and interest at Maturity this Note is presented to the Trustee in time for the Trustee to make such payment in accordance with its normal procedures, which shall require presentation no later than two Business Days prior to Maturity in order to ensure the availability of immediately available funds in the Specified Currency at Maturity.

If payment on this Note is required to be made in a Specified Currency other than United States dollars and such currency is unavailable in the good faith judgment of the Company due to the

imposition of exchange controls or to other circumstances beyond the Company's control, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments with respect to this Note shall be made in United States dollars until such currency is again available or so used. The amount so payable on any date in such Specified Currency shall be converted into United States dollars at a rate determined by the Exchange Rate Agent on the basis of the Market Exchange Rate on the second Business Day prior to such payment, or, if the Market Exchange Rate is not then available, the most recently available Market Exchange Rate or as otherwise determined in good faith by the Company if the foregoing is impracticable.

If this is a Foreign Currency Note, in the event of an official redenomination of such foreign currency (including, without limitation, an official redenomination of a foreign currency that is a composite currency) the obligations of the Company with respect to payments on this Note denominated in such currency shall, in all cases, be deemed immediately following such redenomination to provide for the payment of that amount of redenominated currency representing the amount of such obligations immediately before such redenomination. No adjustment will be made to any amount payable under this Note as a result of (a) any change in the value of a foreign currency relative to any other currency due solely to fluctuations in exchange rates or (b) any redenomination of any component currency of any composite currency (unless such composite currency is itself officially redenominated).

#### *Acceleration upon an Event of Default*

If an Event of Default with respect to Notes of this series shall occur and be continuing, the Principal Amount of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Unless otherwise specified on the face hereof, if any Original Issue Discount Note (as defined below) is redeemed or repurchased by the Company or repurchased at the option of the Holder, each as described above, or if the principal of any Original Issue Discount Note is declared to be due and payable immediately pursuant to this paragraph, the amount of principal due and payable with respect to this Note shall be limited to the sum of the aggregate principal amount of this Note multiplied by the Issue Price (expressed as a percentage of the aggregate principal amount) plus the original issue discount accrued from the date of issue to the date of redemption, repayment or declaration, as applicable, which accrual shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles) in effect on the date of redemption, repurchase or declaration. Unless otherwise specified on the face hereof, an Original Issue Discount Note is a Note which has a stated redemption price at maturity that exceeds its Issue Price by at least 0.25% of the stated redemption price at maturity, multiplied by the number of full years from the Original Issue Date to the Maturity Date for this Note.

#### *Modification of Rights under the Indenture*

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes of each series at the time Outstanding, on behalf of the Holders of all Notes of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. In addition, the Indenture permits the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the notes of each series to be

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affected under the Indenture by the Company and the Trustee, without the consent of the Holders of the Notes of each series to be affected, under certain limited circumstances set forth in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Note at the times, places and rate, and in the coin or currency, herein prescribed. However, the Indenture limits the Holder's right to enforce the Indenture and this Note.

#### *Transfers of Notes*

As provided in the Indenture and subject to certain limitations set forth therein and as may be set forth on the face hereof, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series of like tenor, of Authorized Denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

[Insert if the Security is a Global Security—

#### *Global Notes*

This Note is a Global Note and shall be exchangeable for Notes registered in the names of Persons other than the Depository with respect to this Global Note or its nominee only if (A) such Depository notifies the Company that it is unwilling or unable to continue as Depository for this Global Note or at any time ceases to be a clearing agency registered as such under the Securities Exchange Act of 1934, as amended, (B) the Company in its sole discretion executes and delivers to the Trustee a Company Order that this Global Note shall be exchangeable or (C) there shall have occurred and be continuing an Event of Default with respect to the Notes. If this Global Note is exchangeable pursuant to the preceding sentence, it shall be exchangeable for Notes issuable in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof, registered in such names as such Depository shall direct.]

#### *Denomination*

The Notes of this series are issuable, in the case of Notes denominated in United States dollars, in denominations of U.S. \$1,000 and any integral multiple of U.S. \$1,000 in excess thereof and, in the case of Notes denominated in a Specified Currency other than United States dollars, in the authorized denominations set forth on the face hereof (in each case, an "Authorized Denomination").

#### *Exchange of Notes*

As provided in the Indenture and subject to certain limitations set forth therein and as may be set forth on the face hereof, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series of like tenor of a different Authorized Denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

#### *Registered Owner*

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

#### *Governing Law*

The Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.

#### *Defined Terms; Section Headings*

All terms used in this Note that are defined in the Indenture, shall have the meanings assigned to them in the Indenture. The Section headings herein are for convenience only and shall not affect the construction or interpretation of this Note.

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM—as tenants in common

TEN ENT—as tenants by the entireties

JT TEN—as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT— \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

Under Uniform Gifts to Minors Act

\_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

\_\_\_\_\_

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

/ \_\_\_\_\_ / \_\_\_\_\_

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

\_\_\_\_\_

the within Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Note on the books of the Company, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.



[Exhibit 4.1](#)

[HEWLETT-PACKARD COMPANY MEDIUM-TERM NOTE \(Due nine months or more from date of issue\) \(Fixed Rate\)](#)

[FACE OF SECURITY]

CUSIP:

[Insert if the Security is to be a Global Security--This Note is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee of a Depository. This Global Security is exchangeable for Notes registered in the name of a Person other than the Depository or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Note (other than a transfer of this Note as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in such limited circumstances.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

**HEWLETT-PACKARD COMPANY  
MEDIUM-TERM NOTE  
(Due nine months or more from date of issue)  
(Floating Rate)**

**Registered No. R-**

**Interest Reset Dates:**

**Designation:** **Floating Rate  
Medium-Term Notes  
Due**

**Original Issue Date:**

**Specified Currency:**

U.S. Dollars  
 Other

**Option to Elect Payment in U.S. Dollars (only applicable if Specified Currency is other than U.S. Dollars):**

**Dual Currency Note:**

Yes  No

Yes  No

**Maturity Date:**

**Principal Amount: \$**

**Regular Record Dates: Fifteenth calendar day (whether or not a Business Day) prior to the corresponding Interest Payment Date**

**Exchange Rate Agent (if other than Chase Manhattan Bank and Trust Company, National Association):**

**Calculation Agent (if other than J.P. Morgan Trust Company, National Association):**

**Interest Payment Period:**

<b>Issue Price (as a percentage of Principal Amount):</b>	<b>Index Currency:</b>
<b>Initial Interest Rate:</b>	<b>Index Maturity:</b>
<b>Base Rate:</b>	<b>Maximum Interest Rate:</b>
<b>Spread:</b>	<b>Minimum Interest Rate:</b>

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<b>Spread Multiplier:</b>	<b>Designated LIBOR Page:</b>
	<input type="checkbox"/> LIBOR Telerate
	<input type="checkbox"/> LIBOR Reuters
<b>Calculation Dates:</b>	<b>Total Amount of OID:</b>
<b>Interest Payment Dates:</b>	<b>Redemption Price(s):</b>
<b>Interest Determination Dates:</b>	<b>Tax Redemption Price(s) (if other than 100% of the Principal Amount):</b>
<b>Original Issue Discount Note:</b>	<b>Repurchase Price(s):</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Redemption Date(s) (including any applicable regular or special record dates):</b>	<b>Currency Indexed Note (check if yes):</b> <input type="checkbox"/> (if yes, see attachment)
<b>Subject to Tax Redemption by the Company (including payment of Additional Amounts):</b>	<b>Form:</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Book Entry <input type="checkbox"/> Certificated
<b>Repurchase Date(s) (including any applicable regular or special record dates):</b>	<b>Extension Period(s) and Final Maturity Date (only applicable if option to extend stated maturity):</b>
<input type="checkbox"/> Option of the Company	
<input type="checkbox"/> Option of the Holder	
<b>Stated Maturity Extension Option:</b>	<b>Basis for Interest Rate During Extension Period (only applicable if option to extend stated maturity):</b>
<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Other Terms:</b>	

HEWLETT-PACKARD COMPANY, a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company," which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to [Insert if the Security is to be a Certificated Security- \_\_\_\_\_], [Insert if the Security is to be a Global Security- Cede & Co., as nominee for The Depository Trust Company,] or registered assigns, the Principal Amount stated above on the Maturity Date specified above and to pay interest on the Interest Payment Dates specified above on said Principal Amount at the Initial Interest Rate specified above until the first Interest Reset Date specified above and thereafter in accordance with the applicable provisions set forth below from the Interest Payment Date next preceding the date of authentication of this Note to which interest has been paid on the Notes, unless the date of authentication of this Note is a date to which interest has been paid, in which case from the date of authentication of this Note, or unless no interest has been paid on the Notes, in which case from the Original Issue Date specified above, until payment of said Principal Amount has been made or duly provided for. Notwithstanding the foregoing, if the date of authentication of this Note is after a Regular Record Date specified above and before the next following Interest Payment Date, this Note shall bear interest from such Interest Payment Date, unless the Company shall

default in the payment of interest due on such Interest Payment Date, in which case this Note shall bear interest from the next preceding Interest Payment Date to which interest has been paid on the Notes, or unless no interest has been paid on the Notes, in which case this Note shall bear interest from the Original Issue Date. If the Interest Payment Date, other than any Interest Payment Date that is also the Maturity Date of this Note, is not a Business Day, the Interest Payment Date will be postponed until the next day that is a Business Day and interest will continue to

accrue to such next day that is a Business Day, *provided, however*, in the case of a LIBOR Note, if the next Business Day is in the following calendar month, the Interest Payment Date will be the preceding Business Day.

The interest so payable on any Interest Payment Date will be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date, unless the Original Issue Date is after a Regular Record Date and before the next following Interest Payment Date, in which case interest will be paid on the Interest Payment Date following the next succeeding Regular Record Date to the Person in whose name the Note is registered at the close of business on such next succeeding Regular Record Date, unless the Company shall default in the payment of interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest established in accordance with the Indenture, *provided, however* that interest payable at the Maturity Date will be payable to the person to whom principal is payable.

Unless otherwise specified on the face hereof, payments of principal of (and premium, if any) and interest on this Note will be made in the applicable Specified Currency, *provided, however*, that if this Note is denominated in a Specified Currency other than United States dollars (a "Foreign Currency Note") payments of principal of (and premium, if any) and interest hereon will

[Insert if the Security is to be a Global Security—be made in United States dollars unless the beneficial holder hereof gives notice to the Depository that it elects to receive payments in such Specified Currency. Such notice must be given by the beneficial holder of this Note to the participant of the Depository through which its interest is held on or before the applicable Regular Record Date, in the case of a payment of interest, and on or before the sixteenth day, whether or not a Business Day, before the Stated Maturity, in the case of principal or premium, of the beneficial owner's election to receive all or a portion of any payment in a Specified Currency. The participant must notify the Depository of any election on or before the third business day after the Regular Record Date. The Depository will notify the Paying Agent of the election, the portion of the payment to be made by the Paying Agent in the Specified Currency and the applicable wire transfer instructions, on or before the fifth Business Day after the Regular Record Date. If complete instructions are received by the participant and forwarded to the Depository, and forwarded by the Depository to the Paying Agent, on or before the relevant dates, the beneficial owner of this Note will receive payments in the Specified Currency. In such event, the Paying Agent will pay the beneficial holder directly.]

[Insert if the Security is to be a Certificated Security—be made in the applicable Specified Currency unless the Holder hereof elects to receive all payments in respect hereof in United States dollars by delivery of a written request to the Trustee on or prior to the applicable Regular Record Date or at least 15 days prior to Maturity, as the case may be. Such election may be in writing (mailed or hand delivered) or by cable, telex or other form of facsimile transmission. A Holder of such a Note may elect to receive payment in United States dollars for all principal (and premium, if any) and interest payments and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of such revocation must be received by the Trustee on or prior to the applicable Regular Record Date or at least 15 days prior to Maturity, as the case may be.]

Payment of the principal of (and premium, if any) and interest on this Note due at Maturity in United States dollars will be made in immediately available funds, provided that this Note is presented to the Trustee in time for the Trustee to make such payment in accordance with its normal procedures.

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[Insert if the Security is to be a Global Security—Payment of the principal of (and premium, if any) and interest (other than interest payable at Maturity) on this Note in United States dollars will be made by transfer of immediately available funds to the Depository or its nominee.]

[Insert if the Security is to be a Certificated Security—Payment of the principal of (and premium, if any) and interest on this Note due at Maturity and interest on this Note due other than at Maturity, in United States dollars will be made at the office or agency of the Company maintained for that purpose, which shall initially be the corporate trust office of the Trustee located in the Borough of Manhattan, The City of New York, in immediately available funds. Notwithstanding the foregoing, payment of interest (other than interest due at Maturity) may, at the option of the Company, be made by United States dollar check mailed to the address of the Person entitled thereto as of the applicable Record Date, as such address shall appear in the Security Register.]

All payments of principal (and premium, if any) and interest in a Specified Currency other than United States dollars will be made in the manner set forth on the reverse hereof.

This Note is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (hereinafter called the "Securities"), of the series designated above (herein called the "Notes"), all issued or to be issued under an Indenture dated as of June 1, 2000, for senior debt securities (hereinafter called the "Indenture"), duly executed and delivered by the Company to J.P. Morgan Trust Company, National Association, a national banking association existing under the laws of the United States of America, as trustee (hereinafter called the "Trustee"), to which Indenture reference is hereby made for a description of the respective rights and duties thereunder of the Trustee, the Company and the holders of the Securities. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest at different rates, may be subject to redemption provisions, repurchase provisions, covenants and Events of Default and on other provisions, and may otherwise vary as in the Indenture provided.

The interest payable hereon on each Interest Payment Date will include accrued interest from the Original Issue Date or from the last date in respect of which interest has been paid on the Notes (subject to the applicable provisions set forth above), as the case may be, to, but excluding, such Interest Payment Date or Maturity Date, as the case may be. The interest rate in effect on the Notes from the Original Issue Date, to, but excluding, the first Interest Reset Date will be the Initial Interest Rate. Thereafter, the Notes will bear interest at a rate reset for each period ending on and excluding an Interest Reset Date and commencing on and including the immediately preceding Interest Reset Date (or, if none, the Original Issue Date) (each an "Interest Reset Period") determined by the Calculation Agent. The interest rate per annum on this Note for each Interest Reset Period shall be the Base Rate designated above (determined as set forth on the reverse hereof), in each case adjusted by the addition or subtraction of the Spread, if any, specified above and by the multiplication by the Spread Multiplier, if any, specified above. Accrued interest is calculated by multiplying the face amount hereof by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day for which accrued interest is being calculated. Unless otherwise specified on the face hereof, the interest factor for each day is computed by dividing the interest rate in effect on that day by (i) the actual number of days in the year, in the case of the Treasury Rate Notes and CMT Rate Notes, or (ii) 360 days, in the case of all other Notes.

The interest rate on a Note in effect on any day will be (i) if the day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date relating to that Interest Reset Date; or (ii) if the day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date relating to the preceding Interest Reset Date. Notwithstanding the foregoing, the interest rate hereon shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown above. In addition, the interest rate hereon shall in no event be higher than the

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maximum rate permitted by New York State law as the same may be modified by United States law of general application.

Reference is made to the further provisions of this Note set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture.

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IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

HEWLETT-PACKARD COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

TRUSTEE'S CERTIFICATE OF  
AUTHENTICATION

This is one of the Securities of the Series designated herein issued under the within-mentioned Indenture.

J.P. MORGAN TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

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[REVERSE OF SECURITY]

**HEWLETT-PACKARD COMPANY  
MEDIUM-TERM NOTE  
(Floating Rate)**

**Interest Rate Reset**

The rate of interest on this Note will be reset daily, weekly, monthly, quarterly, semi-annually, annually or as otherwise specified on the face hereof (each an "Interest Reset Date"), as specified on the face hereof. Unless otherwise specified on the face hereof, the Interest Reset Date will be, if this Note resets daily, each Business Day; if this Note resets weekly (unless the Base Rate on this Note is the Treasury Rate), Wednesday of each week; if this Note resets weekly and the Base Rate on this Note is the Treasury Rate, Tuesday of each week; if this Note resets monthly, the third Wednesday of each month; if this Note resets quarterly, as specified on the face hereof; if this Note resets semi-annually, the third Wednesday of each of two months of each year, as specified on the face hereof; and if this Note resets annually, the third Wednesday of one month of each year, as specified on the face hereof; *provided, however*, that the interest rate in effect from the date of issue to the first Interest Reset Date will be the Initial Interest Rate specified on the face hereof.

If an Interest Reset Date for any Note would otherwise be a day that is not a Business Day, that Interest Reset Date will be postponed to the next Business Day. However, in the case of a Note whose interest will be determined in accordance with the provisions of the heading "Determination of LIBOR" below, if that Business Day is in the following calendar month, that Interest Reset Date will be the preceding Business Day. If a Treasury bill auction, as set forth and described in the definition of "Interest Determination Date" in this Note, will be held on any day that would otherwise be an Interest Reset Date for a Note whose interest will be determined in accordance with the provisions of the heading "Determination of Treasury Rate" below, then that Interest Reset Date will instead be the Business Day immediately following that auction date.

### **Determination of Base Rate**

The Base Rate applicable to this Note will be calculated as set forth in the appropriate paragraph below.

#### *Determination of CD Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is the CD Rate, CD Rate means, with respect to any Interest Determination Date, the rate on that date for negotiable certificates of deposit having the Index Maturity specified on the face hereof, as published in H.15(519), on the Calculation Date pertaining to that Interest Determination Date under the heading "CDs (secondary market)." The following procedures will be followed if the CD Rate cannot be determined as described in the immediately preceding sentence:

- (i) if by 3:00 p.m., New York City time, on the related Calculation Date such rate is not published in H.15(519), then the CD Rate will be the rate on that Interest Determination Date for negotiable certificates of deposit of the Index Maturity designated on the face hereof as published in H.15 Daily Update under the heading "CDs (secondary market);"
- (ii) if such rate is not published in H.15 (519) or H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date in the manner described in clause (i) above, then the Calculation Agent will determine the CD Rate to be the arithmetic mean of the following secondary market offered rates for negotiable certificates of deposit of major United States money-center banks of the highest credit standing with a remaining maturity closest to the Index Maturity designated on the face hereof, and in a denomination of

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\$5,000,000: the rates offered as of 10:00 a.m., New York City time, on that Interest Determination Date, by three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in The City of New York. The calculation agent, after consultation with us, will select the three dealers referred to above; and

- (iii) if fewer than three dealers are quoting as mentioned in clause (ii) above, the CD Rate will be the CD Rate in effect during the prior interest period.

#### *Determination of Commercial Paper Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is Commercial Paper Rate, Commercial Paper Rate means, with respect to any Interest Determination Date, the Money Market Yield (as defined below) of the rate on that date for commercial paper having the Index Maturity specified on the face hereof, as published in H.15(519), on the Calculation Date pertaining to that Interest Determination Date under the heading "Commercial paper–Nonfinancial." The following procedures will be followed if the Commercial Paper Rate cannot be determined as described in the immediately preceding sentence:

- (i) if such rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the Commercial Paper Rate will be the Money Market Yield of the rate on that Interest Determination Date for

commercial paper having the Index Maturity designated on the face hereof, as published in H.15 Daily Update under the heading "Commercial paper–Nonfinancial;"

- (ii) if such rate is not published in H.15(519) or H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date as described in clause (i) above, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the following offered rates for commercial paper having the Index Maturity specified on the face hereof and placed for an industrial issuer whose bond rating is "AA," or the equivalent, from a nationally recognized rating agency: the rates offered as of 11:00 a.m., New York City time, by three leading dealers of commercial paper in The City of New York, and the Calculation Agent, after consultation with the Company, will select the three dealers referred to in this clause (ii); and
- (iii) if fewer than three dealers selected by the Calculation Agent are quoting as described in clause (ii) above, the Commercial Paper Rate will be the Commercial Paper Rate in effect during the prior interest period.

"H.15(519)" means the publication entitled "Statistical Release H.15(519), Selected Interest Rates," or any successor publication, published by the Board of Governors of the Federal Reserve System and available through the World Wide Web site of the Board of Governors of the Federal Reserve Systems at <http://www.federalreserve.gov/releases/h15/current>, or any successor site or publication.

"H.15 Daily Update" means the daily update of H.15(519), available through the World Wide Web site of the Board of Governors of the Federal Reserve Systems at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

"Money Market Yield" means a yield (expressed as a percentage rounded to the nearest one-hundred thousandth of a percent) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

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"M" refers to the actual number of days in the interest period for which interest is being calculated.

*Determination of Federal Funds Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is Federal Funds Rate, Federal Funds Rate means, with respect to any Interest Determination Date, the rate on that date for Federal Funds as published in H.15(519) under the heading "Federal Funds (effective)," as such rate is displayed on Telerate Page 120, on the Calculation Date pertaining to that Interest Determination Date under the heading "Federal funds (effective)." The following procedures will be followed if the Federal Funds Rate cannot be determined as described in the immediately preceding sentence:

- (i) if such rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the Federal Funds Rate will be the rate on that Interest Determination Date, as published in H.15 Daily Update under the heading "Federal funds (effective);"
- (ii) if that rate is not published in either H.15 (519) or H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date, then the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the



rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m., New York City time, on that Interest Determination Date, by each of three leading brokers of Federal funds transactions in The City of New York and the Calculation Agent, after consultation with the Company, will select the three brokers referred to in this clause (ii); and

- (iii) if fewer than three brokers selected by the Calculation Agent are quoting as described in clause (ii) above, the Federal Funds Rate will be the Federal Funds Rate in effect during the prior interest period.

*Determination of LIBOR.*

If the Base Rate is LIBOR, LIBOR will be determined by the Calculation Agent in accordance with the following provisions:

(i) with respect to an Interest Determination Date, LIBOR will be: (a) if the Designated LIBOR Page is LIBOR Telerate as specified on the face hereof, the rate for deposits in Index Currency having the Index Maturity, commencing on the second London Business Day immediately following that Interest Determination Date, as that rate appears on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date or (b) if the Designated LIBOR Page is LIBOR Reuters as specified on the face hereof, the arithmetic mean of the offered rates for deposits in Index Currency having the Index Maturity, commencing on the second London Business Day immediately following such Interest Determination Date, which appear on the Designated LIBOR Page (or such other LIBOR page specified on the face hereof) as of 11:00 a.m., London time, on the Interest Determination Date, if at least two such offer rates appear on such Reuters Screen LIBOR Page. If neither LIBOR Reuters nor LIBOR Telerate is specified as the Designated LIBOR Page, LIBOR Telerate will be used. If the Designated LIBOR Page by its terms provides only for a single rate, that single rate will be used regardless of the foregoing provisions requiring more than one rate. In the case where (a) above applies, if no rate appears, or in the case where (b) above applies, if fewer than two offered rates appear, LIBOR in respect of the Interest Determination Date will be determined as if the parties had specified the rate in (ii) below;

(ii) with respect to an Interest Determination Date on which this provision applies, LIBOR will be determined on the basis of the rates offered, at approximately 11:00 a.m., London time, on the Interest Determination Date, by four major banks in the London interbank market to prime

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banks in the London interbank market for deposits in the Index Currency having the Index Maturity designated on the face hereof, commencing on the second London Business Day immediately following such Interest Determination Date, and in a principal amount equal to an amount not less than \$1 million that is representative of a single transaction in the market at that time. The Calculation Agent will select the four banks after consultation with the Company and request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, LIBOR in respect of that Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR in respect of that Interest Determination Date will be the arithmetic mean of the rates for loans of the following kind to European banks quoted, at approximately 11:00 a.m., in the applicable financial center, on the Interest Determination Date, by three major banks in the applicable financial center: loans in the Index Currency, having the Index Maturity designated on the face hereof, commencing on the second London Business Day immediately following such Interest Determination Date and in a principal amount equal to an amount not less than U.S. \$1 million that is representative for a single transaction in that market at that time. The Calculation Agent, after consultation with us, will select the three banks; *provided, however*, that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR for the applicable period will be the same as LIBOR for the immediately prior interest period.

Unless otherwise specified on the face hereof:

"London Business Day" means (i) if the Index Currency is other than the euro, any day on which dealings in deposits in the Index Currency are transacted in the London interbank market; or (ii) if the Index Currency is the euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

"Designated LIBOR Page" means (a) if "LIBOR Reuters" is designated on the face hereof, the display designated as page "LIBO" on the Reuters Monitor Money Rates Service, or a successor nominated as the information vendor, for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is designated on the face hereof, Telerate Page 3750.

"Index Currency" means the currency, including composite currencies, specified on the face hereof as the currency for which LIBOR shall be calculated. If no Index Currency is specified on the face hereof, the Index Currency will be U.S. Dollars.

*Determination of Treasury Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is Treasury Rate, Treasury Rate means, with respect to any Interest Determination Date, the rate set at the most recent auction of direct obligations of the United States ("Treasury bills") having the Index Maturity designated on the face hereof, as that rate appears on either Telerate Page 56 or Telerate Page 57 (or any pages that may replace such pages) under the heading "INVESTMENT RATE." The following procedures will be followed if the Treasury Rate cannot be determined as described in the immediately preceding sentence:

- (i) if such rate is not published on Telerate Page 56 or Telerate Page 57 by 3:00 p.m., New York City time, on the Calculation Date, the Treasury Rate will be the Bond Equivalent Yield of the auction average rate, as otherwise announced by the United States Department of the Treasury, for the Interest Determination Date;
- (ii) if the results of the most recent auction of Treasury bills having the Index Maturity designated on the face hereof are not published or announced as described in clause (i) above by 3:00 p.m., New York City time, on the Calculation Date, or if no auction is held

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in a particular week, the Treasury Rate will be the Bond Equivalent Yield of the rate set forth in H.15(519) for the Interest Determination Date opposite the Index Maturity under the heading "U.S. government securities/Treasury bills/Secondary market;"

- (iii) if such rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date as described in clause (ii) above, the Treasury Rate will be the Bond Equivalent Yield of the rate set forth in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying that rate, for the Interest Determination Date in respect of the Index Maturity under the heading "U.S. government securities/Treasury bills/Secondary market;"
- (iv) if the above rate is not published in H.15(519), H.15 Daily Update or another recognized source by 3:00 p.m., New York City time, on the Calculation Date as described in clauses (ii) and (iii) above, then the Calculation Agent will determine the Treasury Rate to be the Bond Equivalent Yield of the arithmetic mean of the following secondary market bid rates for the issue of Treasury bills with a remaining maturity closest to the Index Maturity specified on the face hereof: the rates bid as of approximately 3:30 p.m., New York City time, on the Interest Determination Date by three leading primary United States government securities dealers selected by the Calculation Agent after consultation with the Company; and

- (v) if fewer than three dealers selected by the Calculation Agent are quoting as described in clause (iv) above, the Treasury Rate will be the Treasury Rate in effect during the prior interest period.

"Bond Equivalent Yield" means a yield (expressed as a percentage rounded to the nearest one hundred thousandth of a percent) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where "D" refers to the per annum rate for Treasury bills, quoted on a bank discount basis and expressed as a decimal;

"N" refers to 365 or 366, as the case may be; and

"M" refers to the actual number of days in the interest period for which interest is being calculated.

"Telerate Page 56," "Telerate Page 57," "Telerate Page 120," "Telerate Page 248" and "Telerate Page 3750" mean the displays designated on Moneyline Telerate, Inc. as Page 56, Page 57, Page 120, Page 248 or Page 3750, or any page that replaces either Page 56, Page 57, Page 120, Page 248 or Page 3750 on that service, or another service that is nominated as the information vendor, for the purpose of displaying the applicable Treasury bill, federal funds or LIBOR rates.

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*Determination of Prime Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is Prime Rate, Prime Rate means, with respect to any Interest Determination Date, the prime rate or base lending rate on that date, as published in H.15(519), on the Calculation Date pertaining to the Interest Determination Date under the heading "Bank prime loan." The following procedures will be followed if the Prime Rate cannot be determined as described in the immediately preceding sentence:

- (i) if such rate is not published in H.15(519) prior to 9:00 a.m., New York City time, on the Calculation Date, then the Prime Rate will be the rate on the Interest Determination Date as published in H.15 Daily Update opposite the heading "Bank prime loan;"
- (ii) if such rate is not published in either H.15(519) or H.15 Daily Update by 3:00 p.m., New York City time, on the Calculation Date as described in clause (i) above, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 as that bank's prime rate or base lending rate as in effect for that Interest Determination Date;
- (iii) if fewer than four rates appear on the Reuters Screen USPRIME1 on the Interest Determination Date, then the Prime Rate will be the arithmetic mean of the prime rates or base lending rates quoted, on the basis of the actual number of days in the year divided by a 360-day year, as of the close of business on the Interest Determination Date by four major banks in The City of New York selected by the Calculation Agent from a list approved by the Company;
- (iv) if fewer than two rates appear on the Reuters Screen USPRIME1 on the Interest Determination Date, then the Prime Rate will be the arithmetic mean of the prime rates or base lending rates furnished by the appropriate number of substitute U.S. banks or trust companies in The City of New York that have a total equity capital of U.S. \$500,000,000 or more and are subject to supervision or examination by federal or state authority, as selected by the

- (v) if the banks selected by the Calculation Agent are not quoting as described in clauses (iii) and (iv) above, the Prime Rate will be the Prime Rate in effect during the prior interest period.

"Reuters Screen USPRIME1 Page" means the display on the Reuters Monitor Money Rates Service on the page designated as "USPRIME1," or any other page that replaces that page on that service for the purpose of displaying prime rates or base lending rates of major United States banks.

*Determination of CMT Rate.*

Unless otherwise specified on the face hereof, if the Base Rate is the CMT Rate, CMT Rate means, with respect to any Interest Determination Date, the rate displayed on the Designated CMT Telerate Page by 3:00 p.m., New York City time, on the Calculation Date pertaining to the Interest Determination Date under the heading (or any successor heading) "Treasury Constant Maturities–Federal Reserve Board Release H.15–Mondays Approximately 3:45 p.m.," under the column for the Index Maturity as specified on the face hereof (1) if the Designated CMT Telerate Page is 7051, such Interest Determination Date or (2) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related Interest

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Determination Date occurs. The following procedures will be used if the CMT Rate cannot be determined as described in the immediately preceding sentence:

- (i) if such rate is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate will be the Treasury constant maturity rate for the Index Maturity for the Interest Determination Date, as published in H.15(519);
- (ii) if such rate is no longer published in H.15(519), or if not displayed by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate will be the Treasury constant maturity rate, or other United States Treasury rate, for the Index Maturity for the Interest Determination Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519);
- (iii) if that information described in clause (ii) above is no longer provided by 3:00 p.m., New York City time, on the Calculation Date, then the Calculation Agent will determine the CMT Rate to be a yield to maturity based on the arithmetic mean of the following secondary market offered rates for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Index Maturity and a remaining term to maturity of not less than the Index Maturity minus one year: the rates reported as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, by three leading primary United States government securities dealers in New York City, according to their written records. The Calculation Agent will select, after consultation with us, five leading primary United States government securities dealers and will eliminate the highest and lowest quotations or, in the event of equality, one of the highest and one of the lowest quotations;

- (iv) if the Calculation Agent cannot obtain three Treasury Note quotations as described in clause (iii) above, the Calculation Agent will determine the CMT Rate to be a yield to maturity based on the arithmetic mean of the following secondary market offered rates for the most recently issued Treasury Notes with an original maturity of the number of years that is the next highest to the Index Maturity, a remaining term to maturity closest to the Index Maturity and in an amount of at least U.S. \$100 million: the offered rates as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, of three leading primary United States government securities dealers in The City of New York, selected using the same method described in clause (iii) above;
- (v) if three or four (but not five) reference dealers are quoting as described in clauses (iii) and (iv) above, then the CMT Rate will be based on the arithmetic mean of the offered rates obtained and neither the highest nor the lowest of those quotations will be eliminated; and
- (vi) if fewer than three leading primary United States government securities dealers selected by the Calculation Agent are quoting as described in clauses (iii) and (iv) above, the CMT Rate will be the CMT Rate in effect during the prior interest period.

"Designated CMT Telerate Page" means the display on the Moneyline Telerate, Inc., or any successor service, on the page specified on the face hereof, or any other page that replaces that page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519). If no page is specified, page 7052 for the most recent week.

#### *Other Base Rates.*

In addition to the Base Rates specified in this Section, the Company may elect to designate such Other Base Rates indicated on the face hereof based on such other interest rate formula or formulas indicated on the face hereof, which may include a combination of one or more of the Base Rates indicated above.

#### **Indexed Notes**

This Note may be issued with the principal amount payable at Maturity and/or with interest payable hereon on an Interest Payment Date to be determined by reference to the price or prices of currencies, currency units, commodities, stock, other securities, interest or other notes, financial or non-financial indices or other factors (each an "Indexed Note"), as shall be indicated above under "Other Terms." Specific information pertaining to the method for determining the principal amount payable at Maturity or the amount of interest to be paid on an Interest Payment Date with reference to the specified index shall be included above under "Other Terms."

For the purposes of determining whether Holders of the requisite principal amount of Indexed Notes outstanding have made a demand or given a notice or waiver or taken any other action, the outstanding principal amount of Indexed Notes will be deemed to be the face amount of the Indexed Notes. In the event of an acceleration of the maturity of the Indexed Note, the principal amount payable to the Holder of an Indexed Note upon acceleration will be the principal amount determined by reference to the formula by which the principal amount of the Indexed Note would be determined on the Maturity Date, as if the date of acceleration were the Maturity Date.

#### **Dual Currency Notes**

This Note may be issued as a Note in which the Company has a one-time option to pay the principal, premium, if any, and interest, if any, on this Note in an optional currency specified on the face hereof under "Other Terms") that is a different currency from the Specified Currency

of this Note ("Dual Currency Notes"). Specific information pertaining to Dual Currency Notes shall be included above under "Other Terms," and shall include, without limitation, Specified Currency for the dual currency note:

the Specified Currency;

the Optional Payment Currency;

the Designated Exchange Rate;

the Option Election Dates; and

the Interest Payment Dates for Dual Currency Notes.

The amounts payable and the method for calculating these amounts with respect to Dual Currency Notes and any additional terms and conditions of any issue of dual currency notes will be specified on the face hereof.

### **Reset of Spread and Spread Multiplier**

If the Company has the option with respect to this Note to reset the Spread and/or Spread Multiplier, such option will be indicated on the face hereof, together with (i) the date or dates on which such Spread and/or Spread Multiplier may be reset (each an "Optional Reset Date") and (ii) the basis or formula, if any, for such resetting. Unless otherwise specified on the face hereof, the Company may exercise such option by notifying the Trustee of such exercise at least 45 but not more than 60 days (unless otherwise specified on the face hereof) prior to an Optional Reset Date. Not later than

40 days (unless otherwise specified on the face hereof) prior to such Optional Reset Date, the Trustee will mail to the Holder hereof a notice (the "Reset Notice"), first class, postage prepaid, setting forth (i) the election of the Company to reset the Spread and/or Spread Multiplier, (ii) such new Spread and/or Spread Multiplier, and (iii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or, if there is no such next Optional Reset Date, to the Stated Maturity of this Note (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during such Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days (unless otherwise specified on the face hereof) prior to an Optional Reset Date, the Company may, at its option, revoke the Spread and/or Spread Multiplier provided for in the Reset Notice and establish a higher Spread and/or Spread Multiplier for the Subsequent Interest Period commencing on such Optional Reset Date by mailing or causing the Trustee to mail notice of such higher Spread and/or Spread Multiplier first class, postage prepaid, to the Holder hereof. Such notice shall be irrevocable. If the Spread and/or Spread Multiplier is reset on an Optional Reset Date this Note will bear such higher Spread and/or Spread Multiplier.

If the Company elects to reset the Spread and/or Spread Multiplier of this Note, the Holder hereof will have the option to elect repayment of this Note by the Company on any Optional Reset Date at a price equal to the principal amount hereof plus any accrued interest to such Optional Reset Date. In order for this Note to be so repaid on an Optional Reset Date, the Holder hereof must follow the procedures set forth below for optional repurchase, except that the period for delivery of this Note or notification to the Trustee shall be at least 25 but not more than 35 days (unless otherwise specified on the face hereof) prior to such Optional Reset Date and except that a Holder who has tendered this

Note for repayment pursuant to a Reset Notice may, by written notice to the Trustee, revoke any such tender for repayment until the close of business on the tenth day prior to such Optional Reset Date.

### **Extension of Stated Maturity**

If the Company has the option to extend the Stated Maturity of this Note for one or more periods (each an "Extension Period") up to but not beyond the date (the "Final Maturity Date") set forth on the face hereof, such option will be indicated on the face hereof together with the basis or formula, if any, for setting the Spread and/or Spread Multiplier applicable to any such Extension Period. The Company may exercise such option with respect to this Note by notifying the Trustee of such exercise at least 45 but not more than 60 days (unless otherwise specified on the face hereof) prior to the Stated Maturity in effect prior to the exercise of such option (the "Original Stated Maturity"). No later than 40 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity, the Trustee will mail to the Holder hereof a notice (the "Extension Notice") relating to such Extension Period, first class, postage prepaid, setting forth (i) the election of the Company to extend the Stated Maturity hereof, (ii) the new Stated Maturity, (iii) the Spread and/or Spread Multiplier applicable to the Extension Period, and (iv) the provisions, if any, for redemption during the Extension Period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Extension Period. Upon the mailing by the Trustee of an Extension Notice to the Holder of this Note, the Stated Maturity of this Note shall be extended automatically as set forth in the Extension Notice, and, except as modified by the Extension Notice and as described in the next paragraph, this Note will have the same terms as prior to the mailing of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity for this Note, the Company may, at its option, revoke the Spread and/or Spread Multiplier provided for in the Extension Notice and establish a higher Spread and/or Spread Multiplier for the Extension Period by mailing or causing the Trustee to mail notice of such higher Spread and/or Spread Multiplier first class, postage prepaid, to the Holder hereof. Such

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notice shall be irrevocable. All Notes with respect to which the Stated Maturity is extended will bear such higher Spread and/or Spread Multiplier for the Extension Period.

If the Company elects to extend the Stated Maturity of this Note, the Holder hereof will have the option to elect repayment of this Note by the Company at the Original Stated Maturity at a price equal to the principal amount hereof plus any accrued interest to such date. In order for this Note to be so repaid on the Original Stated Maturity, the Holder hereof must follow the procedures set forth below for optional repurchase, except that the period for delivery of this Note or notification to the Trustee shall be at least 25 but not more than 35 days (unless otherwise specified on the face hereof) prior to the Original Stated Maturity and except that a Holder who has tendered this Note for repurchase pursuant to an Extension Notice may, by written notice to the Trustee, revoke any such tender for repayment until the close of business on the tenth day prior to the Original Stated Maturity.

### **Redemption and Repurchase by the Company**

Unless one or more Redemption Date or Repurchase Date is specified on the face hereof, this Note shall not be redeemable or subject to repurchase at the option of the Company before the Maturity Date specified on the face hereof. If one or more Redemption Dates or one or more Repurchase Dates is so specified, this Note is subject to redemption or repurchase, as the case may be, on any such date at the option of the Company, upon notice by first-class mail, mailed not less than 30 days nor more than 60 days (unless otherwise specified on the face hereof) prior to the applicable Redemption Date or Repurchase Date, as the case may be, specified in such notice, at the applicable Redemption Price or Repurchase Price, as the case may be, specified on the face hereof (expressed as a percentage of the principal amount of this Note), together in the case of any such redemption with accrued interest to the Redemption Date or Repurchase Date, as the case may be. Unless otherwise specified on the face hereof, the Company may elect to redeem less than the entire principal amount hereof.

### **Repurchase at the Option of the Holder**

Unless one or more Repurchase Dates at the option of the Holder is specified on the face hereof, this Note shall not be repayable at the option of the Holder on any date prior to the Maturity Date specified on the face hereof. If one or more Repurchase Dates is so specified, this Note is subject to repurchase on any such date at the option of the Holder at the applicable Repurchase Price specified on the face hereof (expressed as a percentage of the principal amount of this Note), together in the case of any such repayment with accrued interest to the Repurchase Date, but interest installments whose Stated Maturity is prior to the Repurchase Date will be payable to the Holder of this Note, or one or more Predecessor Notes, of record at the close of business on the relevant Regular Record Dates referred to on the face hereof. For this Note to be repaid at the option of the Holder, the Trustee must receive at the principal office of its Corporate Trust Department in The City of New York, at least 30 days but not more than 45 days (unless otherwise specified on the face hereof) prior to the Repurchase Date on which this Note is to be repaid:

- (i) appropriate wire instructions; and
- (ii) either (a) the Note with the form entitled "Option to Elect Repurchase" on the reverse of the Note duly completed, or (b) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc., or a commercial bank or trust company in the United States setting forth:
  - (1) the name of the holder of the Note;
  - (2) the principal amount of the Note;
  - (3) the portion of the principal amount of the Note to be repurchased;

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- (4) the certificate number or a description of the tenor and terms of the Note;
  - (5) a statement that the option to elect repurchase is being exercised; and
  - (6) a guarantee that the Note to be repaid with the form entitled "Option to Elect Repurchase" on the reverse of the Note duly completed will be received by the Trustee within five Business Days. The Trustee must actually receive the Note and form duly completed by the fifth Business Day.

Exercise of the repurchase option by the Holder of a Note shall be irrevocable. The Holder of a Note may exercise the repurchase option for less than the entire principal amount of the Note provided that the principal amount of the Note remaining outstanding after repurchase is an Authorized Denomination. No transfer or exchange of any Note will be permitted after exercise of a repurchase option. If a Note is to be repurchased in part, no transfer or exchange of the portion of the Note to be repurchased will be permitted after exercise of a repurchase option. All questions as to the validity, eligibility, including time of receipt, and acceptance of any note for repurchase will be determined by the Company and its determination will be final, binding and non-appealable.

### **Tax Redemption**

If specified on the face hereof, the Company may redeem the Notes, subject to the provisions herein, as a whole but not in part, at the Company's option, upon not more than 60 days, nor less than 30 days (unless otherwise specified on the face hereof), prior notice to the Holders of the Notes, at a Tax Redemption Price equal to 100% of the Principal Amount of the Notes (unless otherwise specified on the face hereof), or, if applicable, a lesser amount in the case of Original Issue Discount Notes, and premium, if any, together with accrued interest, if any, to Tax Redemption Date, if on the next succeeding interest payment date, the Company will be obligated to:



- (i) pay any Additional Amounts as specified on the face hereof; or
- (ii) account to any federal or state taxing authority for any amount, other than any tax withheld or deducted from interest payable on the Notes, regarding any payment made or to be made on any Note.

If specified on the face hereof, the Company will, subject to certain exceptions and limitations set forth below, pay to the Holder of such Note who is a United States Alien (as defined below), as additional interest, such additional amounts ("Additional Amounts") as may be necessary in order that every net payment on such Note (including payment of the principal of and interest on such Note) by the Company or any specified Paying Agent, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided in such Note to be then due and payable.

However, the Company's obligation to pay Additional Amounts with respect to the Notes will not apply to:

- (1) any tax, assessment or other governmental charge that would not have been so imposed but for the existence of any present or former connection between such Holder or beneficial owner of such Note (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such Holder, if such Holder is an estate or a trust, or a member or shareholder of such Holder, if such Holder is a partnership or corporation) and the United States or any political subdivision or taxing authority thereof or therein, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident of the United States or treated as a resident thereof or being or having been engaged in a

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trade or business or present therein or having or having had a permanent establishment therein; or such Holder's or beneficial owner's past or present state as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organization with respect to the United States, controlled foreign corporation for United States tax purposes or corporation that accumulates earnings to avoid United States Federal income tax;

- (2) any estate, inheritance, gift, excise, sales, transfer, the wealth or personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organization with respect to the United States, controlled foreign corporation for United States tax purposes or corporation that accumulates earnings to avoid United States Federal income tax;
- (3) any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the Holder of such Note for payment more than 30 days after the date on which such payment became due and payable or the date on which payment thereof was duly provided for, whichever occurred later;
- (4) any tax, assessment or other governmental charge that is payable otherwise than by withholding from a payment on such Note;
- (5) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from a payment on such Note, if such payment can be made without such withholding by any other Paying Agent;

- (6) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, information, documentation, identification or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Holder or beneficial owner of such Note if such compliance is required by statute or regulation of the United States or by any applicable tax treaty to which the United States is a party as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (7) any tax, assessment or other governmental charge imposed on a Holder that actually or constructively owns 10% or more or the combined voting power or all classes of the Company's stock;
- (8) any tax, assessment or other governmental charge that would not have been imposed or withheld but for the treatment of the interest by the Company as contingent interest described in Section 871(h)(4) of the Internal Revenue Code of 1986, as amended;
- (9) any tax, assessment or other governmental charge that would not have been imposed or withheld but for an election by the Holder the effect of which is to make the payment of the principal of, or interest (other any other amount) on, such Note by the Company or a Paying Agent subject to United States Federal income tax; or
- (10) any combination of items (1), (2), (3), (4), (5), (6), (7), (8) and (9).

In addition, the Company shall not be required to pay Additional Amounts on such Note to a Holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to Additional Amounts (or payment of Additional Amounts would not have been necessary) had such beneficiary, settlor, member or beneficial owner been the Holder of such Note.

For the purposes above, a "United States Alien" means any person who, for United States Federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States Federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary, of a foreign estate or trust. "United States" means the United States of America (including the States and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

[Insert if the Security is to be a Certificated Security–In the event of redemption or repayment of this Note in part only, a new Note or Notes of this series and of like tenor and for a principal amount equal to the unredeemed or unrepaid portion will be delivered to the registered Holder upon the cancellation hereof.]

[Insert if the Security is to be a Global Security–In the event of redemption or repayment of this Note in part only, the principal amount shall be reduced.]

### **General Information Regarding the Notes**

#### *Interest Rate in Effect*

The Calculation Agent will, upon the request of the Holder of this Note, provide to such Holder the interest rate hereon then in effect and, if different, the interest rate which will become effective as a result of a determination made on the most recent Interest Determination Date.

### *Definitions*

"Business Day" means (a) any day that is not a Saturday or Sunday and that, in The City of New York, is not a day on which banking institutions generally are authorized or obligated by law to close, (b) if this Note is denominated in a Specified Currency other than United States dollars or euros, not a day on which banking institutions are authorized or required by law to close in the financial center of the country issuing the Specified Currency, (c) if this Note is denominated in euros, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open; and (d) if the rate of interest on this Note shall be determined in accordance with the provisions of the heading "Determination of LIBOR" above, a London Business Day. As used in the preceding sentence, "financial center" means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Canadian dollars, South African rand and Swiss francs, the "financial center" shall be The City of New York, Sydney, Toronto, Johannesburg and Zurich, respectively.

"Calculation Date" means, with respect to any Interest Determination Date, the date on or before which the Calculation Agent is to calculate an interest rate for a Note. Unless otherwise specified on the face hereof, the Calculation Date pertaining to an Interest Determination Date for a Note will be the first to occur of (i) the tenth calendar day after that Interest Determination Date or, if that day is not a Business Day, the next succeeding Business Day; or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date, Redemption Date or Repurchase Date, of that Note, as the case may be.

"Index Maturity" means the period of time designated as the representative maturity of the certificates of deposit, the commercial paper, the Index Currency, the Treasury bills or other instrument or obligation, respectively, by reference to transactions in which the CD Rate, the Commercial Paper Rate, LIBOR, the Treasury Rate and the CMT Rate, respectively, are to be calculated, as set forth on the face hereof.

"Interest Determination Date" means the date as of which the interest rate for a Note is to be calculated, to be effective as of the following Interest Reset Date and calculated on the related

Calculation Date. However, LIBOR will be calculated on the Interest Determination Date. Unless otherwise specified on the face hereof (i) the Interest Determination Date pertaining to an Interest Reset Date for a CD Rate Note, Commercial Paper Rate Note, Federal Funds Rate Note, Prime Rate Note or CMT Rate Note will be the second Business Day preceding that Interest Reset Date; (ii) the Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note will be the second London Business Day preceding that Interest Reset Date; and (iii) the Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note will be the day of the week during which that Interest Reset Date falls on which Treasury bills of the Index Maturity designated on the face hereof are auctioned, such Treasury bills being usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday or may be held on the preceding Friday; provided that if, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the following week.

### *Percentages and Decimals*

Except as otherwise specified on the face hereof, all percentages and decimals resulting from any calculation of interest on Notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) will be rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) will be rounded to 9.87654% (or .0987654). All dollar amounts used in or resulting from any such calculation will be rounded to the nearest cent (with one-half cent being rounded upwards).

### *Calculation of Exchange Rates*

If this is a Foreign Currency Note to be paid in United States dollars, the United States dollar amount to be received in respect hereof will be based upon the exchange rate as determined by the Exchange Rate Agent based on the most favorable firm bid quotation for United States dollars received by such Exchange Rate Agent at approximately 11:00 a.m., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers in The City of New York selected by the Exchange Rate Agent and approved by the Company (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Specified Currency payable on such payment date in respect of this Note. If three quoting dealers are not available, then two dealers will be used. If no such bid quotations are available, payments will be made in the Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, in which case the Company will be entitled to make payments in respect hereof in United States dollars as provided in the manner set forth below. All currency exchange costs will be borne by the Holder hereof by deductions from such payments. The determination of the exchange rate pursuant to the provisions of this Section is referred to herein as the "Market Exchange Rate."

#### *Payments in Specified Currencies*

If a Holder is to receive payments in a Specified Currency other than United States dollars as described on the face hereof, payments of principal of (and premium, if any) and interest will be paid in immediately available funds by wire transfer to an account maintained by the Holder with a bank designated by the Holder (which in the case of Global Securities will be the Depository or its nominee) on or prior to the Regular Record Date or at least 15 days prior to Maturity, as the case may be, in the case of Certificated Securities, or in the case of Global Securities, in the manner specified on the face hereof in the third paragraph thereof following the summary of terms, provided that such bank has the appropriate facilities for such a payment in the Specified Currency, provided, however, that with respect to payments of principal and premium, if any, and interest at Maturity this Note is presented to

the Trustee in time for the Trustee to make such payment in accordance with its normal procedures, which shall require presentation no later than two Business Days prior to Maturity in order to ensure the availability of immediately available funds in the Specified Currency at Maturity.

If payment on this Note is required to be made in a Specified Currency other than United States dollars and such currency is unavailable in the good faith judgment of the Company due to the imposition of exchange controls or to other circumstances beyond the Company's control, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments with respect to this Note shall be made in United States dollars until such currency is again available or so used. The amount so payable on any date in such Specified Currency shall be converted into United States dollars at a rate determined by the Exchange Rate Agent on the basis of the Market Exchange Rate on the second Business Day prior to such payment, or, if the Market Exchange Rate is not then available, the most recently available Market Exchange Rate or as otherwise determined in good faith by the Company if the foregoing is impracticable.

If this is a Foreign Currency Note, in the event of an official redenomination of such foreign currency (including, without limitation, an official redenomination of a foreign currency that is a composite currency) the obligations of the Company with respect to payments on this Note denominated in such currency shall, in all cases, be deemed immediately following such redenomination to provide for the payment of that amount of redenominated currency representing the amount of such obligations immediately before such redenomination. No adjustment will be made to any amount payable under this Note as a result of (a) any change in the value of a foreign currency relative to any other currency due solely to fluctuations in exchange rates or (b) any redenomination of any component currency of any composite currency (unless such composite currency is itself officially redenominated).

#### *Acceleration upon an Event of Default*

If an Event of Default with respect to Notes of this series shall occur and be continuing, the Principal Amount of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Unless otherwise specified on the face hereof, if any Original Issue Discount Note (as defined below) is redeemed or repurchased by the Company or repurchased at the option of the Holder,

each as described above, or if the principal of any Original Issue Discount Note is declared to be due and payable immediately pursuant to this paragraph, the amount of principal due and payable with respect to this Note shall be limited to the sum of the aggregate principal amount of this Note multiplied by the Issue Price (expressed as a percentage of the aggregate principal amount) plus the original issue discount accrued from the date of issue to the date of redemption, repayment or declaration, as applicable, which accrual shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles) in effect on the date of redemption, repurchase or declaration. Unless otherwise specified on the face hereof, an Original Issue Discount Note is a Note which has a stated redemption price at maturity that exceeds its Issue Price by at least 0.25% of the stated redemption price at maturity, multiplied by the number of full years from the Original Issue Date to the Maturity Date for this Note.

### *Modification of Rights under the Indenture*

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes of each series at the time

Outstanding, on behalf of the Holders of all Notes of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. In addition, the Indenture permits the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the notes of each series to be affected under the Indenture by the Company and the Trustee, without the consent of the Holders of the Notes of each series to be affected, under certain limited circumstances set forth in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Note at the times, places and rate, and in the coin or currency, herein prescribed. However, the Indenture limits the Holder's right to enforce the Indenture and this Note.

### *Transfers of Notes*

As provided in the Indenture and subject to certain limitations set forth therein and as may be set forth on the face hereof, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series of like tenor, of Authorized Denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

[Insert if the Security is a Global Security—

### *Global Notes*

This Note is a Global Note and shall be exchangeable for Notes registered in the names of Persons other than the Depository with respect to this Global Note or its nominee only if (A) such Depository notifies the Company that it is unwilling or unable to continue as Depository for this Global Note or at any time ceases to be a clearing agency registered as such under the Securities Exchange Act of 1934, as amended, (B) the Company in its sole discretion executes and delivers to the Trustee a Company Order that this Global Note shall be exchangeable or (C) there shall have occurred and be continuing an Event of Default with respect to the Notes. If this Global Note is exchangeable pursuant to the preceding sentence, it shall be exchangeable for Notes issuable in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof, registered in such names as such Depository shall direct.]

### *Denomination*



Additional abbreviations may also be used though not in the above list.

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FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

/

/

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PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE

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the within Note and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_ attorney to transfer said Note on the books of the Company with full power of substitution in the premise.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

QuickLinks

[Exhibit 4.2](#)

[HEWLETT-PACKARD COMPANY MEDIUM-TERM NOTE \(Due nine months or more from date of issue\) \(Floating Rate\)](#)

**HEWLETT-PACKARD COMPANY**

\$1,500,000,000

MEDIUM-TERM NOTES, SERIES B, DUE NINE MONTHS OR MORE FROM THE DATE OF ISSUE

AGENCY AGREEMENT

DECEMBER 6, 2002

**Salomon Smith Barney Inc.**  
390 Greenwich Street  
New York, NY 10013

**Banc of America Securities LLC**  
**Bank of America Corporate**  
**Center**  
NCI-007-07-01  
100 North Tryon Street  
Charlotte, NC 28255

**BNP Paribas Securities Corp.**  
787 Seventh Avenue  
New York, NY 10019

**Credit Suisse First Boston**  
**Corporation**  
Eleven Madison Avenue  
New York, NY 10010

**Deutsche Bank Securities Inc.**  
31 West 52nd Street  
New York, NY 10019

**Goldman, Sachs & Co.**  
85 Broad Street  
New York, NY 10004

**HSBC Securities (USA) Inc.**  
452 Fifth Avenue  
New York, NY 10018

**J.P. Morgan Securities Inc.**  
270 Park Avenue  
New York, NY 10017

**Merrill Lynch, Pierce, Fenner & Smith**  
**Incorporated**  
4 World Financial Center  
15th Floor  
New York, NY 10080

**Scotia Capital (USA) Inc.**  
**Corporate Bond Group**  
1 Liberty Plaza  
165 Broadway, 25th Floor  
New York, NY 10006

**The Williams Capital Group, L.P.**  
650 Fifth Avenue  
New York, NY 10019

Ladies and Gentlemen:

1. *Introduction.* Hewlett-Packard Company, a Delaware corporation (the "Issuer"), confirms its agreement with each of you (individually an "Agent" and collectively the "Agents") with respect to the issue and sale from time to time by the Issuer on or after the date hereof of up to \$1,500,000,000 in aggregate initial offering price of its Medium-Term Notes, Series B, Due Nine Months or More from the Date of Issue (or for Medium-Term Notes, Series B, Due Nine Months or More from the Date of Issue, denominated in currencies or currency units other than U.S. dollars, the equivalent thereof based on the prevailing exchange rates at the respective times such Medium-Term Notes, Series B Due Nine Months or More from the Date of Issue are first offered) (the "Notes") as set forth herein.

On the basis of the representations and warranties contained herein but subject to the terms and conditions stated herein and to the reservation by the Issuer of the right to sell Notes directly to investors (other than broker-dealers who have not executed this Agreement or



otherwise agreed to the terms contained herein) on its own behalf, the Issuer hereby (i) appoints each of the Agents as an agent of the Issuer for the purpose of soliciting offers to purchase the Notes from the Issuer and

(ii) agrees that, except as otherwise contemplated herein, whenever it determines to sell Notes directly to any of the Agents as principal for resale to others, it will enter into a separate agreement, which may be a written agreement, substantially in the form of Exhibit A hereto or an oral agreement confirmed in writing by such Agent (each a "Terms Agreement") relating to such sale in accordance with Section 3(f) hereof.

The terms and rights of the Notes shall be as specified in or established pursuant to the Senior Debt Securities Indenture, dated as of June 1, 2000, as supplemented to the date hereof (the "Senior Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, as successor to Chase Manhattan Bank, National Association, as trustee (the "Trustee"). The Notes shall have the maturity ranges, annual interest rates, redemption provisions, if any and other terms set forth in the Prospectus referred to below as it may be amended or supplemented from time to time by the Issuer in accordance with the Senior Indenture and the Procedures (as defined below) or as otherwise agreed upon and, if applicable, will be specified in a related Terms Agreement.

2. *Representations and Warranties of the Issuer.* The Issuer represents and warrants to, and agrees with, the Agents that as of the Closing Date, each Representation Date, each Time of Delivery and each date on which the Issuer accepts an offer to purchase Notes from an Agent as follows:

(a) The registration statement of the Issuer (No. 333-83346) relating to securities of the Issuer (collectively the "Registered Securities"), including the Notes, has been filed with the Securities and Exchange Commission (the "SEC") and has become effective and no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose has been instituted or, to the knowledge of the Issuer, threatened (such registration statement, as amended as of the Closing Date (as defined in Section 3(e) hereof), including all material incorporated by reference therein, being hereinafter collectively referred to as the "Registration Statement" and the related prospectus included in such Registration Statement, as supplemented as of the Closing Date, including all material incorporated by reference therein, being hereinafter referred to as the "Prospectus"). Any reference in this Agreement to amending or supplementing the Prospectus shall be deemed to include the filing of materials incorporated by reference in the Prospectus after the Closing Date and any reference in this Agreement to any amendment or supplement to the Prospectus shall be deemed to include any such materials incorporated by reference in the Prospectus after the Closing Date.

(b) (i) On the effective date of the Registration Statement (the "Effective Date"), such Registration Statement complied, and on the Closing Date the Prospectus as then amended or supplemented will comply in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "Act") and the rules thereunder; (ii) on the Effective Date and on the Closing Date the Senior Indenture did or will comply in all material respects with the requirements of the Trust Indenture Act of 1939 (the "Trust Indenture Act") and the rules thereunder; (iii) on the Effective Date the Registration Statement did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and (iv) on the Effective Date, the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Prospectus did not or will not include any untrue statement of a material fact or omit to state any material fact necessary, in order to make the statements, in the light of the circumstances under which they were made, not misleading; except that the foregoing clauses (iii) and (iv) do not apply to statements in or omissions from any of such documents based upon written information furnished to the Issuer by any Agent specifically for use therein or that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee.

(c) The Senior Indenture has been duly authorized, executed and delivered by the Issuer, has been duly qualified under the Trust Indenture Act, and constitutes a valid and binding obligation enforceable against the Issuer in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, arrangement, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally from time to time in effect, and subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and subject to limitations on rights to indemnification and contribution under applicable law or equitable principles); and the Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Senior Indenture and delivered to and paid for by the purchasers thereof pursuant to this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Senior Indenture (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, arrangement, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally from time to time in effect, and subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and subject to limitations on rights to indemnification and contribution under applicable law or equitable principles).

(d) None of the issue and sale of the Notes, the consummation of the transactions herein contemplated or the fulfillment of the terms hereof will conflict with, result in a breach of, or constitute a default under, (i) the charter or by-laws of the Issuer or (ii) the terms of any Material Agreement, or (iii) any decree or regulation or order applicable to the Issuer of any U.S. federal, California or Delaware court, governmental authority or agency having jurisdiction over the Issuer, except where the conflict or breach of which in clause (ii) or clause (iii) above would not have a material adverse effect on the Issuer and its subsidiaries taken as a whole. "Material Agreements" means: (X) all agreements filed as Exhibits to the Issuer's most recent Annual Report on Form 10-K, and (Y) all agreements filed as Exhibits to the Issuer's Quarterly Reports on Form 10-Q and Current Reports on Form 8-K subsequent to the date of the Issuer's most recent Annual Report on Form 10-K, in each case (X) and (Y) filed pursuant to clause (2), (4), (9) or (10) of paragraph (b) of Item 601 of Regulation S-K (in the case of Form 10-K or Form 10-Q) (but only such agreements that continue to be in effect).

(e) The Issuer has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own its properties and conduct its business as described in the Prospectus as amended or supplemented, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of the State of California.

(f) Each of this Agreement and any applicable Terms Agreement has been duly authorized, executed and delivered by the Issuer.

(g) No authorization, approval or other action by, and no notice to, consent of, order of, or filing with, any United States federal, California or Delaware governmental authority or agency is required for the consummation of the transactions contemplated herein, except such as have been obtained under the Act, the Exchange Act and the Trust Indenture Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Notes and such other approvals as have been obtained.

(h) Immediately after any sale of Notes by the Issuer hereunder or under any applicable Terms Agreement, the aggregate amount of Notes which shall have been issued and sold by the Issuer hereunder or under any Terms Agreement taken together with any other securities of the Issuer (other than the Notes) that shall have been issued and sold pursuant to the Registration Statement will not exceed the amount of securities registered under the Registration Statement.

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(i) Ernst & Young LLP ("E&Y") is an independent public accountant as required by the Act.

3. *Appointment as Agent; Solicitations as Agent; Purchases as Principal.*

(a) On the basis of the representations and warranties contained herein but subject to the terms and conditions herein set forth, the Issuer hereby appoints each of the Agents an agent of the Issuer for the purpose of soliciting or receiving offers to purchase the Notes from the Issuer by others. Nothing contained in this Agreement shall be construed to prevent the Issuer from selling at any time to any person any Registered Securities, including the Notes, directly on its own behalf or in a firm commitment underwriting pursuant to an underwriting agreement that does not provide for a continuous offering of such Notes or pursuant to a private placement not constituting a public offering under the Act. Each Agent, severally and not jointly, agrees to use its reasonable efforts to solicit purchases of the Notes on the terms and subject to the conditions set forth herein and in the Procedures (as defined below), but shall have complete discretion as to the manner in which it solicits purchasers for the Notes and as to the identity thereof.

The Issuer reserves the right to sell, and may solicit and accept offers to purchase, Notes directly on its own behalf and, in the case of any such sale not resulting from a solicitation made by any Agent, no commission will be payable with respect to such sale.

(b) On the basis of the representations and warranties contained herein, but subject to the terms and conditions herein set forth, each Agent agrees, as agent of the Issuer, to solicit offers to purchase the Notes upon the terms and conditions set forth in the Prospectus, as from time to time amended or supplemented.

Upon receipt of notice from the Issuer as contemplated by Section 4(b) hereof, the Agents shall suspend solicitation of offers to purchase the Notes until such time as the Issuer shall have furnished them with an amendment or supplement to the Registration Statement or the Prospectus, as the case may be, contemplated by Section 4(b) and shall have advised the Agents that such solicitation may be resumed.

The Issuer reserves the right, in its sole discretion, to instruct the Agents to suspend solicitation of offers to purchase the Notes commencing at any time for any period of time or permanently. As soon as practicable, but in any event not later than one business day in New York City, after receipt of notice from the Issuer, the Agents will forthwith suspend solicitation of offers to purchase the Notes from the Issuer until such time as the Issuer has advised the Agents that such solicitation may be resumed. During any such period, the Issuer shall not be required to comply with the provisions of Sections 6(a), 6(b), 6(c) and 6(d), provided that if the Registration Statement or Prospectus is amended or supplemented during the period of suspension (other than an amendment or supplement (i) that solely specifies or provides for a change in maturity dates, interest rates, issuance prices or similar terms of any particular Notes sold hereunder, (ii) by means of the filing of materials incorporated by reference in the Prospectus (other than the Issuer's Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q), (iii) relating to an offering by the Issuer of Registered Securities other than the Notes or (iv) that is a pricing amendment or supplement relating to Notes the purchase of which was not solicited by an Agent) no Agent shall be required to resume soliciting offers to purchase Notes until the Issuer has delivered to such Agent, such opinions, letters and certificates with respect to any Representation Date (as defined in Section 6(b)) specified in Sections 6(b), (c) and (d).

Unless otherwise mutually agreed upon between the Issuer and the Agent soliciting such offer, the Agents are authorized to solicit offers to purchase Notes only in fully registered form in denominations of \$1,000 or any multiple thereof. The Issuer will determine the authorized denominations of Notes not denominated in U.S. dollars at the time of sale. Each Agent shall

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communicate to the Issuer, orally or in writing, each reasonable offer to purchase the Notes received by it as Agent. The Issuer shall have the sole right to accept offers to purchase the Notes and may reject any such offer, in whole or in part. Each Agent shall have the right, in its discretion reasonably exercised, without notice to the Issuer, to reject any offer to purchase the Notes received by it, in whole or in part, and any such rejection shall not be deemed a breach of its agreement contained herein.

No Note that the Issuer has agreed to sell pursuant to this Agreement shall be deemed to have been purchased and paid for, or sold, by the Issuer until such Note shall have been delivered to the purchaser thereof against payment by such purchaser.

(c) The Issuer agrees to pay the presenting Agent (or jointly to two or more Agents if such presentation is jointly made) a commission, at the time of settlement of each sale of a Note by the Issuer as a result of a solicitation made by such Agent, in an amount equal to the following percentage of the principal amount of such Note sold or such other amount as may be agreed to in writing from time to time:

<b>Range of Maturities</b>	<b>Fee as a Percentage of Principal Amount</b>
From 9 months to less than 12 months	0.125
From 12 months to less than 18 months	0.150
From 18 months to less than 2 years	0.200
From 2 years to less than 3 years	0.250
From 3 years to less than 4 years	0.350
From 4 years to less than 5 years	0.450
From 5 years to less than 6 years	0.500
From 6 years to less than 7 years	0.550
From 7 years to less than 10 years	0.600
From 10 years to less than 15 years	0.625
From 15 years to less than 20 years	0.675
From 20 years to and including 30 years	0.750
Greater than 30 years	To be negotiated

(d) Administrative procedures respecting the sale of Notes (the "Procedures") shall be agreed upon from time to time by the Agents and the Issuer. The initial Procedures, which are set forth in Exhibit B hereto, shall remain in effect until changed only by written agreement among the Issuer and the respective Agents. The provisions of the Procedures shall apply to all transactions contemplated hereunder except as otherwise specified in a Terms Agreement. Each Agent and the Issuer agree to perform the respective duties and obligations specifically provided to be performed by each of them herein and in the Procedures. The Issuer will furnish to the Trustee a copy of the Procedures as from time to time in effect.

(e) The documents required to be delivered by Section 5 hereof shall be delivered at the offices of the Issuer in Palo Alto, California, or counsel for the Issuer in Palo Alto, California, not later than 11:00 a.m., New York City time, on the date of this Agreement or at such other place, and at such later time and date as may be mutually agreed by the Issuer and the Agents, but in no event later than the day prior to the date on which solicitation of offers to purchase Notes is commenced or the first date on which the Issuer accepts an offer by any Agent to purchase Notes as principal, such time and date being herein called the "Closing Date."

(f) From time to time, any Agent may agree with the Issuer to purchase Notes from the Issuer as principal. In such case the purchasing Agent and the Issuer may set forth the terms of such purchase in a separate Terms Agreement to be entered into between such Agent and the Issuer. Upon acceptance by the Issuer of an offer to purchase Notes, unless the Issuer and the

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purchasing Agent otherwise agree in writing, any such Terms Agreement or other written confirmation or communication transmitted by the purchasing Agent to the Issuer or, in the absence of a Terms Agreement or other written confirmation or communication from the purchasing Agent, the oral agreement confirmed in writing by such Agent with respect to the terms of the Notes and of their offer and sale evidenced by the offer communicated by the purchasing Agent and accepted by the Issuer, in each case together with the provisions of this Agreement, shall constitute an agreement between the purchasing Agent and the Issuer for the sale and purchase of such Notes (whether or not any Terms Agreement or other written confirmation or communication shall have been executed by the Issuer or the purchasing Agent). In connection with any resale of Notes so purchased, such Notes may be resold by such Agent at varying prices from time to time or at a fixed public offering price or such Agent may use a selling or dealer

group. Such Agent may reallocate to any broker or dealer any portion of the discount or commission payable pursuant hereto. A Terms Agreement, to the extent set forth therein, may incorporate by reference specified provisions of this Agreement.

Each agreement by an Agent to purchase Notes as principal (pursuant to a Terms Agreement or otherwise) shall specify the principal amount of Notes to be purchased by such Agent pursuant thereto, the price to be paid to the Issuer for such Notes, the maturity date of such Notes, the interest rate or interest rate basis, if any, applicable to such Notes, any other terms of such Notes, the time and date and place of delivery of and payment for such Notes (the time and date of any and each such delivery and payment, the "Time of Delivery"), any provisions relating to rights of, and default by, underwriters acting together with such Agent in the re-offering of Notes, and shall also specify whether opinions of counsel, accountants' letters and officers' certificates are required pursuant to Section 6 hereof. Notwithstanding anything to the contrary set forth herein, to the extent such certificates, accountant letters or opinions specified in Section 6 hereof are required under a Terms Agreement or otherwise with respect to an agreement by an Agent or Agents to purchase Notes directly from the Issuer as a principal, such certificates, letters and opinions of counsel shall be addressed solely to those Agents purchasing such Notes. Unless otherwise specified in a Terms Agreement, the procedural details relating to the issue and delivery of Notes purchased by an Agent as principal and the payment therefore shall be as set forth in the Procedures.

(g) *Obligations Several.* The Issuer acknowledges that the obligations of the Agents are several and not joint.

4. *Certain Agreements of the Issuer.* The Issuer agrees with the Agents that, in connection with each offering of Notes:

(a) The Issuer will advise the Agents promptly of any proposal to amend or supplement the Registration Statement or the Prospectus (other than an amendment or supplement (i) that solely specifies or provides for a change in maturity dates, interest rates, issuance prices or similar terms of any particular Notes sold hereunder, (ii) by means of the filing of materials incorporated by reference in the Prospectus, (iii) relating to an offering by the Issuer of Registered Securities other than the Notes or (iv) that is a pricing amendment or supplement relating to Notes the purchase of which was not solicited by any Agent) and will use its commercially reasonable efforts to afford the Agents an opportunity to review any such proposed amendment or supplement prior to filing; the Issuer will also advise the Agents of the filing of any such amendment or supplement. Following any such filing, each Agent shall have the right to suspend solicitation of purchases of the Notes until such time as such Agent shall reasonably determine that solicitation of purchases may be resumed and any such suspension shall not be deemed a breach of such Agent's agreement contained herein. The Issuer will also advise the Agents of the institution by the SEC of any stop order proceedings in respect of the Registration Statement or of any part thereof and will use its

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commercially reasonable efforts to prevent the issuance of any such stop order and to obtain as soon as possible its withdrawal, if issued.

(b) If, at any time when a prospectus relating to the Notes is required to be delivered under the Act, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Prospectus to comply with the Act or the rules and regulations thereunder ("Rules and Regulations") (other than as contemplated in the parenthetical clause of Section 4(a) hereof), the Issuer will promptly notify each Agent (i) in its capacity as agent of the Issuer to suspend solicitation of offers to purchase the Notes (and, if so notified, such Agent shall cease such solicitations as soon as practicable, but in any event not later than one business day later); and (ii) to cease sales of any Notes such Agent may then own as principal; and if the Issuer shall decide so to amend or supplement the Registration Statement or the Prospectus, it will promptly advise each Agent and will promptly prepare and file with the SEC an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. If, at the time of any notification to suspend solicitations, any Agent shall own any of the Notes with the intention of reselling them as contemplated by Section 3(f) hereof, or the Issuer has accepted an offer to purchase Notes but the related settlement has not occurred, the Issuer, subject to the provisions of subsection (a) of this Section, will

promptly repurchase any Notes so held by such Agent, cancel such offer (to the extent such cancellation may be lawfully effected) or promptly prepare and file with the SEC an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance, and will supply such amended or supplemented Prospectus to the respective Agents in such quantities as they may reasonably request. If such amendment or supplement and the documents, opinions, letters and certificates furnished to the Agents pursuant to this Agreement in connection with the preparation and filing of such amendment or supplement are, in the judgment of the Agents, satisfactory, then upon the filing with the SEC of such amendment or supplement to the Prospectus or upon the effectiveness of an amendment to the Registration Statement, the Agents will resume the solicitation of offers to purchase Notes hereunder; provided, however, that if one or more Agents does not find such amendment or supplement acceptable, in their judgment, such Agent shall not be required to recommence the solicitation of offers hereunder and such other Agents for which such amendment or supplement was satisfactory shall not be precluded from recommencing the solicitation of offers pursuant to this Agreement.

(c) The Issuer, during the period when a prospectus relating to the Notes is required to be delivered under the Act, will file promptly all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act").

(d) The Issuer will furnish to each Agent copies of the Prospectus and all amendments and supplements thereto, and all amendments to the Registration Statement after the date hereof (other than an amendment or supplement (i) that solely specifies or provides for a change in maturity dates, interest rates, issuance prices or similar terms of any particular Notes sold hereunder, (ii) by means of the filing of materials incorporated by reference in the Prospectus, (iii) relating to an offering by the Issuer of Registered Securities other than the Notes or (iv) that is a pricing amendment or supplement relating to Notes the purchase of which was not solicited by any Agent), in each case as soon as available and in such quantities as are reasonably requested.

(e) The Issuer will arrange for the qualification of the Notes for sale and under the laws of such jurisdictions as the Agents through Cravath, Swaine & Moore (the "Agents' Counsel") reasonably requests and will continue such qualifications in effect so long as required for the

distribution of the Notes; *provided* that in connection therewith the Issuer shall not be required to qualify to do business in any jurisdiction or to file a consent or otherwise subject itself to service of process or taxation in any jurisdiction where it is not already so subject.

(f) So long as any Notes are outstanding, if so requested by the Agents, the Issuer will furnish to the Agents, to the extent such document is not available pursuant to the EDGAR filing system, (i) as soon as available, a copy of each report or definitive proxy statement of the Issuer, if any, filed with the SEC under the Exchange Act, and (ii) from time to time, such other information concerning the Issuer as the Agents may reasonably request, which may be provided in accordance with applicable laws and regulations.

(g) The Issuer will pay all expenses incident to the performance of its obligations under this Agreement and will reimburse the Agents for any expenses (including reasonable fees and disbursements of Agents' Counsel, subject to the limitation set forth below) reasonably incurred by them in connection with qualification of the Notes for sale under the laws of such jurisdictions as such Agents may reasonably request in accordance with Section 4(e) hereof and the printing of memoranda relating thereto, for any fees charged by investment rating agencies for the rating of the Notes, for expenses incurred in distributing the Prospectus and all supplements thereto, any preliminary prospectuses and any preliminary prospectus supplements, to each Agent and for the reasonable fees and disbursements of Agents' Counsel in connection with the establishment of the program contemplated hereby, such reasonable fees and disbursements of Agents' Counsel not to exceed \$35,000. The Agents shall pay all other fees and expenses incurred by the Agents.

(h) The Issuer will make generally available to its security holders and to the Agent as soon as practicable earnings statements which shall satisfy the provisions of Section 11(a) of the Act and Rule 158 of the SEC promulgated thereunder covering periods of at least twelve months beginning in each case with the first fiscal quarter of the Issuer occurring after the "effective date" (as defined in Rule 158) of the Registration Statement with respect to each sale of Notes.

(i) In the case of a purchase of Notes by an Agent as principal pursuant to a Terms Agreement or otherwise, if called for by the applicable Terms Agreement or other agreement, at the corresponding Time of Delivery, the Issuer will, from the date of any applicable Terms Agreement with an Agent or other agreement by an Agent to purchase Notes as principal and continuing to and including the business day following the related Time of Delivery, not offer, sell, contract to sell or otherwise dispose of any debt securities of or guaranteed by the Issuer which are substantially similar to the Notes, without the prior written consent of such Agent; provided, however, that for the purposes of the foregoing, any reverse inquiry solicitations of or solicitations by the Agents as contemplated hereby will not constitute an offer by the Issuer.

5. *Conditions of Obligations.* The obligation of each Agent, as agent of the Issuer, under this Agreement at any time to solicit offers to purchase the Notes is subject to the accuracy, on the date hereof, on the Closing Date, on the date of each such solicitation, on the date of any Terms Agreement and at each of the times of acceptance and of delivery referred to in Section 6(a) hereof and at each Representation Date (as defined in Section 6(b)), in all material respects of the representations and warranties of the Issuer herein, to the accuracy, on each such date, in all material respects of the statements of the Issuer's officers in any certificates made pursuant to the provisions hereof, to the performance, on or prior to each such date, by the Issuer in all material respects of its obligations hereunder, and to each of the following additional conditions precedent:

(a) No stop order suspending the effectiveness of the Registration Statement or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Issuer or any Agent, shall be threatened by the SEC.

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(b) The Prospectus, including any pricing supplement, shall have been filed with the SEC pursuant to Rule 424(b) under the Act, within the applicable period prescribed for such filing by the Rules and Regulations of the Act.

(c) There shall not have occurred between each trade and settlement date (i) any suspension or limitation of trading in securities generally on the New York Stock Exchange or trading of the Issuer's common stock on the New York Stock Exchange or any setting of limited or minimum prices on such Exchange, (ii) any declaration of a banking moratorium by either U.S. federal or New York State authorities, (iii) any outbreak or material escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it, in the judgment of such Agents, impracticable to market the Notes, (iv) any downgrading in the rating accorded the Issuer's debt securities by Moody's Investor's Service ("Moody's") or Standard & Poor's Corporation ("S&P"), or (v) any public announcement by Moody's or S&P that it has placed any of the Notes on a credit watch with negative implications, except in items (iv) and (v), as previously disclosed to the Agents prior to the applicable trade date.

(d) At the Closing Date, the Agents (and in the case of a purchase of Notes by an Agent or Agents as principal pursuant to a Terms Agreement or otherwise, if called for by the applicable Terms Agreement or other agreement, at the corresponding Time of Delivery, such Agent or Agents) shall have received:

(i) the opinion of the General Counsel or Deputy General Counsel of the Issuer (either of the foregoing, "Issuer Counsel"), or an outside counsel for the Issuer, dated the Closing Date, substantially to the effect that:

(A) the Issuer has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own its properties and conduct its business as described in the Prospectus as amended or supplemented, except where the failure to do so would not have a material adverse effect on the Issuer and its subsidiaries, taken as a whole;

(B) the Notes conform in all material respects to the description thereof contained in the Prospectus;

(C) the Senior Indenture has been duly authorized, executed and delivered by the Issuer, has been duly qualified under the Trust Indenture Act, and constitutes a legal, valid and binding obligation enforceable against the Issuer in accordance with its terms (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, arrangement, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally from time to time in effect, and subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and subject to limitations on rights to indemnification and contribution under applicable law or equitable principles); and the Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Senior Indenture and delivered to and paid for by the purchasers pursuant to this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Senior Indenture (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, arrangement, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally from time to time in effect, and subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and subject to limitations on rights to indemnification and contribution under applicable law or equitable principles);

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(D) the Registration Statement and any amendments thereto have become effective under the Act; any required filing of the Prospectus and any supplement thereto pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement, as amended, has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the Act;

(E) this Agreement and any applicable Terms Agreement have been duly authorized, executed and delivered by the Issuer;

(F) no authorization, approval or other action by, and no notice to, consent of, order of, or filing with, any U.S. federal, California or Delaware governmental authority or agency is required for the consummation of the transactions contemplated herein, except such as have been obtained under the Act, the Exchange Act and the Trust Indenture Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Notes and such other approvals (specified in such opinion) as have been obtained; and

(G) none of the issue and sale of the Notes, the consummation of any other of the transactions herein contemplated or the fulfillment of the terms hereof will conflict with, result in a breach of, or constitute a default under, the charter or by-laws of the Issuer or, to such counsel's knowledge, the terms of any Material Agreement, or any material decree or regulation known to such counsel to be applicable to the Issuer of any U.S. federal, California or Delaware court, governmental authority or agency having jurisdiction over the Issuer.

Such opinion shall also include a statement that such counsel has participated in conferences with officers and other representatives of the Issuer, counsel for the Issuer, the independent accountants of the Issuer, the Agents and counsel for the Agents, at which the Registration Statement and the Prospectus and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the Registration Statement, the Prospectus or the statements contained therein and has made no independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that has caused such counsel to believe that (i) the Registration Statement and



the Prospectus (except the financial statements and the notes thereto and financial statement schedules and other information of an accounting, statistical or financial nature included therein, and the Statement of Eligibility (Form T-1) included as an exhibit to the Registration Statement, as to which such counsel need express no view) were not appropriately responsive in all material respects with requirements of the Act, the rules thereunder and the Trust Indenture Act and (ii) (A) the Registration Statement at the effective date thereof contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (B) that the Prospectus as of its date and on the Closing Date includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (in each case except for the financial statements and the notes thereto and the financial statement schedules and other information of an accounting, statistical or financial nature included therein, and the Statement of Eligibility (Form T-1) included as an exhibit to the Registration Statement, as to which such counsel need express no view); and

(ii) in the event that any of the statements described in the foregoing subsection 5(d)(i) are omitted from the opinion delivered pursuant to such subsection, the opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel for the Issuer, dated the Closing Date, to the effect of the statements so omitted.

In rendering such opinions, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the State of California or the United States, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Agents; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Issuer or public officials. Furthermore, such counsel shall provide any opinions as to enforceability based upon laws then in effect in the State of New York.

(e) At the Closing Date, the Agents (and in the case of a purchase of Notes by an Agent as a principal pursuant to a Terms Agreement or otherwise, if called for by the applicable Terms Agreement or other agreement, at the corresponding Time for Delivery, such Agent) shall have received a certificate, dated the Closing Date, signed by an officer of the Issuer reasonably acceptable to the applicable Agents to the effect that (i) the representations and warranties of the Issuer in this Agreement are true and correct in all material respects, (ii) the Issuer has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date in all material respects, (iii) no stop order suspending the effectiveness of the Registration Statement, as amended, has been issued and no proceedings for that purpose have been instituted or, to the Issuer's knowledge, threatened by the SEC, and (iv) since the date of the most recent financial statements included or incorporated by reference in the Prospectus, there has been no material adverse change in the financial position or results of operations of the Issuer and its subsidiaries, taken as a whole, except as set forth in or contemplated by the Prospectus or as described in such certificate.

(f) At the Closing Date, the Agents (and in the case of a purchase of Notes by an Agent or Agents as a principal pursuant to a Terms Agreement or otherwise, if and to the extent called for by the applicable Terms Agreement or other agreement, at the corresponding Time of Delivery, such Agent or Agents) shall have received a letter, dated such date, of E&Y confirming that they are independent auditors within the meaning of the Act and the Exchange Act and the respective applicable published Rules and Regulations thereunder adopted by the SEC, stating or affirming substantially in effect that:

(i) in their opinion the financial statements and financial statement schedules audited by such accountants and included or incorporated by reference in the Registration Statement or the Prospectus, comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the related published rules and regulations adopted by the SEC;

(ii) on the basis of: (W) performing the procedures specified by the American Institute of Certified Public Accountants for a review of the interim financial information as described in SAS 71, *Interim Financial Information*, on the unaudited interim financial statements from the date of the latest audited balance sheet included or incorporated by reference in the Registration Statement or the Prospectus to the date of the latest interim balance sheet included or incorporated by reference in the Registration Statement or the Prospectus; (X) inquiries of Issuer's management who have responsibility for financial and accounting matters as to whether the unaudited interim financial statements comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the related rules and regulations adopted by the SEC and are stated on a basis substantially consistent with that of the audited financial statements included or incorporated by reference

in the Registration Statement; (Y) carrying out certain specified procedures on the latest interim financial data made available (but not an audit in accordance with auditing standards generally accepted in the United States) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; and (Z) a reading of the minutes of the meetings of the shareowners, board of directors and related committees for the period subsequent to the date of the most recent financial statements included or incorporated by reference in the Registration Statement or the Prospectus: nothing came to their attention which caused them to believe that: (a) any such unaudited interim financial statements included or incorporated by reference in the Registration Statement or the Prospectus do not comply as to form in all material respects with applicable accounting requirements of the Exchange Act and with the related published rules and regulations adopted by the SEC; (b) any material modifications should be made to said unaudited interim financial statements for them to be in conformity with accounting principles generally accepted in the United States; and (c) said unaudited interim financial statements were not determined on a basis substantially consistent with that of the corresponding amounts in the audited financial statements incorporated in the Registration Statement and the Prospectus; and

(iii) they have performed certain other procedures as a result of which they determined that the information described in a schedule to be delivered to the applicable Agents in connection with such letter, of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information that has been obtained from accounting records which are subject to controls over financial reporting or which has been derived directly from such accounting records by analysis or computation) set forth in the Registration Statement, as amended, the Prospectus, as amended or supplemented, and in Exhibit 12 to the Registration Statement (including selected accounting, financial or statistical information included therein), agrees with accounting records or compilations made from such accounting records which are subject to controls over financial reporting or which has been derived directly from such accounting records by analysis or computation.

References to the Prospectus in this paragraph (f) include any supplements thereto at the date of the letter.

(g) At the Closing Date, the Agents (and in the case of a purchase of Notes by an Agent as a principal pursuant to a Terms Agreement or otherwise, if called for by the applicable Terms Agreement or other agreement, at the corresponding Time for Delivery such Agent) shall have received from the Agents' Counsel, such opinion or opinions, dated the Closing Date or the Time for Delivery, as applicable, with respect to the validity of the Notes, the Registration Statement, the Prospectus and other related matters as they may reasonably require, and the Issuer shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(h) At the Closing Date, on or after the trade date and prior to the related settlement date with respect to any particular issuance of Notes, or on or after the respective dates as of which information is given in the Registration Statement and the Prospectus, as amended or supplemented, and prior to the trade date with respect to any particular issuance of the Notes, in each case whether such issuance is on an agency basis or principal basis, there shall not have occurred, except as reflected in or contemplated by the

Registration Statement and the Prospectus, as amended or supplemented, any material adverse change in the financial condition of the Issuer and its subsidiaries, taken as a whole.

6. *Additional Covenants of the Issuer.* The Issuer agrees that:

(a) Each acceptance by the Issuer of an offer for the purchase of Notes solicited by any Agent or a purchase of Notes by an Agent as principal, pursuant hereto shall be deemed to be an

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affirmation to the applicable Agent, that the Issuer's representations and warranties contained in this Agreement are true and correct in all material respects at the time of such acceptance and a covenant that such representations and warranties will be true and correct in all material respects at the Time of Delivery to the purchaser of the Notes relating to such acceptance as though made at and as of each such time, it being understood that such representations and warranties shall relate to the Prospectus as amended or supplemented at each such time.

(b) Each time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement: (i) that relates to an offering by the Issuer of Registered Securities other than the Notes; (ii) that solely specifies or provides for a change in the maturity dates, interest rates, issuance prices or other similar terms of any particular Notes sold hereunder; (iii) relating to any filing under the Exchange Act (except for Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K filed thereunder); and (iv) by any pricing supplement) (each such time and subject to the foregoing exceptions, being herein referred to as a "Representation Date"), the Issuer shall, promptly following such amendment or supplement, furnish the Agents with a certificate, dated the date of delivery thereof, signed by an officer of the Issuer to the effect that the statements contained in the certificate covering the matters set forth in Section 5(e) hereof which was last furnished to the Agents are true and correct in all material respects at the time of such amendment or supplement as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented at such time and except that the statements contained in the certificate covering the matters set forth in clause (ii) of Section 5(e) shall be deemed to relate to the time of delivery of such certificate) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in Section 5(e), modified as necessary to relate to the Registration Statement and the Prospectus as amended or supplemented at the time of delivery of such certificate and, in the case of the matters set forth in clause (ii) of Section 5(e), to the time of delivery of such certificate.

(c) At each Representation Date, the Issuer shall promptly thereafter furnish the Agents with a written opinion or opinions, dated the date of such Representation Date, of Issuer Counsel or Wilson Sonsini Goodrich & Rosati, in form reasonably satisfactory to the Agents, substantially to the effect set forth in Section 5(d) hereof, but modified, as necessary, to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date; *provided, however*, that in lieu of such opinion or opinions, counsel may furnish the Agents with a letter or letters to the effect that the Agents may rely on a prior opinion delivered under Section 5(d) or this Section 6(c) to the same extent as if it were dated the date of such letter (except that statements in such prior opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date).

(d) At each Representation Date, the Issuer shall cause its independent accountants promptly thereafter to furnish the Agents with a letter, addressed jointly to the Issuer and the Agents and dated the date of such Representation Date, in form and substance reasonably satisfactory to the Agents, substantially to the effect set forth in Section 5(f)(i), (ii) (excluding subpart (Y)) and (iii) hereof with respect to the respective matters covered therein but modified to relate to the Registration Statement and the Prospectus as amended or supplemented at such Representation Date, with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Issuer.

(e) The Issuer agrees that any obligation of a person who has agreed to purchase Notes as the result of solicitation by any Agent pursuant hereto to make payment for and take delivery of such Notes shall be subject to the satisfaction, on such settlement

purposes of this Section 6(e), for the respective judgments of an Agent with respect to certain matters referred to in Section 5(c) and that such Agent shall have no duty or obligation whatsoever to exercise the judgment permitted under Section 5(c) on behalf of any such person).

7. *Indemnification and Contribution.*

(a) The Issuer agrees to indemnify and hold harmless each Agent, each affiliate (within the meaning of the Exchange Act) of an Agent and their respective officers, directors and employees, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject, under the Act, the Exchange Act or other federal or State statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement relating to the Notes as originally filed or in any amendment thereto, or in any preliminary prospectus or the Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made) not misleading, and agrees to reimburse each Agent for any legal or other expenses reasonably incurred by such Agent in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (i) the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any of such documents in reliance upon and in conformity with written information furnished to the Issuer by any Agent specifically for use therein and (ii) such indemnity with respect to any preliminary prospectus or the Prospectus shall not inure to the benefit of any Agent (or any person controlling such Agent) through which the person asserting any such loss, claim, damage or liability purchased the Notes which are the subject thereof if (A) such person did not receive a copy of the Prospectus (or the Prospectus as so amended or supplemented), excluding documents incorporated therein by reference at or prior to the earlier of the confirmation of the sale of such Notes or the delivery of the Notes to such person in any case where such delivery is required by the Act and the untrue statement or omission of a material fact contained in any preliminary prospectus or the Prospectus was corrected in the Prospectus (or the Prospectus as amended or supplemented prior to or at the time of the confirmation of the sale of such Notes to such person) and (B) the Issuer had previously furnished copies of the Prospectus (or the Prospectus as amended or supplemented prior to or at the time of the confirmation of the sale of the Notes to such person) to such Agent. This indemnity agreement will be in addition to any liability that the Issuer may otherwise have.

(b) Each Agent severally and not jointly, agrees to indemnify and hold harmless the Issuer, each affiliate (within the meaning of the Exchange Act) of the Issuer and their respective officers and directors, to the same extent as the foregoing indemnity from the Issuer to such Agent, but only with reference to written information relating to such Agent furnished to the Issuer by such Agent specifically for use in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability that such Agent may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to appoint counsel reasonably satisfactory to such indemnified party to represent the indemnified party in such action; *provided, however*, if the defendants in any such action include both the

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indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to any local counsel), approved by the Agents in the case of subparagraph (a) of this Section 7, representing the indemnified parties under subparagraph (a) of this Section 7 who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized in writing the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii). No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is a party and indemnity was sought hereunder by such indemnified party unless such settlement includes an unconditional release of the indemnified party from all liability on any claims that are the subject matter of such action.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 7 is due in accordance with its terms but is for any reason unavailable or insufficient, the Issuer and the Agents shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Issuer and one or more of the Agents may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Agents on the other from the offering of the Notes to which such loss, claim, damage or liability relates or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Issuer on the one hand and the Agents on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Agents on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) to which such loss, claim, damage or liability relates, received by the Issuer bear to the total discounts and commissions received by the Agents in connection therewith. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Agents and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. Notwithstanding the provisions of this subsection (d), (X) in no case shall any Agent (except as may be provided in any agreement among Agents relating to the offering of the Notes) be responsible for any amount in excess of the discount applicable to the Notes to which such loss, claim, damage or liability relates, purchased by such Agent hereunder and (Y) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For

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purposes of this Section 7, each person who controls an Agent within the meaning of either the Act or the Exchange Act shall have the same rights to contribution as such Agent, and each person who controls the Issuer within the meaning of either the Act or the Exchange Act, each officer of the Issuer who shall have signed the Registration Statement and each director of the Issuer shall have

the same rights to contribution as the Issuer, subject in each case to clauses (X) and (Y) of this paragraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph (d), notify in writing such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this paragraph (d).

8. *Status of Each Agent.*

(a) In soliciting offers to purchase the Notes from the Issuer pursuant to this Agreement and in assuming its other obligations hereunder (other than offers to purchase pursuant to Section 3(f) hereof), each Agent is acting solely as agent for the Issuer and not as principal. Each Agent will make its reasonable best efforts to assist the Issuer in obtaining performance by each purchaser whose offer to purchase Notes from the Issuer has been solicited by such Agent and accepted by the Issuer, but such Agent shall have no liability to the Issuer in the event any such purchase is not consummated for any reason. If the Issuer shall default on its obligations to deliver Notes to a purchaser who has agreed to purchase Notes as a result of solicitation by any Agent pursuant hereto, and whose offer the Issuer has accepted, the Issuer (i) shall hold the Agents harmless against any loss, claim or damages arising from or as a result of such default by the Issuer, and (ii) in particular, shall pay to the Agents any commission to which they would be entitled in connection with such sale.

(b) Subject to Section 4(g) hereof, if this Agreement or any Terms Agreement shall be terminated by an Agent or Agents because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement or any Terms Agreement, the Issuer agrees to reimburse each Agent or such Agents as have so terminated this Agreement with respect to themselves, severally, for all reasonable out-of-pocket expenses (including the reasonable fees and expenses of Agents' Counsel) reasonably incurred by such Agent or Agents in connection with this Agreement or the offering of Notes.

9. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Issuer or its officers and of the Agents set forth in or made pursuant to this Agreement and any Terms Agreement if specified therein, will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Agent, the Issuer or any of their respective representatives, officers or directors or any controlling person and will survive delivery of and payment for the Notes. In the event of any suspension of the solicitation of offers in accordance with this Agreement or termination of this Agreement in its entirety or with respect to a particular Agent or Agents, no party shall have any liability to any other party hereto, except if this Agreement is terminated pursuant to Section 10 or for any other reason, the Issuer and the Agents shall remain responsible for their respective expenses pursuant to Section 4(g) and the respective obligations of the Issuer and the Agents pursuant to Section 7 shall remain in effect and except as set forth in the following sentence. In addition, if any such termination shall occur either (i) at a time when any Agent shall own any of the Notes with the intention of reselling them as contemplated by Section 3(f) hereof or (ii) after the Issuer has accepted an offer to purchase Notes solicited by any Agent pursuant hereto and prior to the related settlement, the obligations of the Issuer under the last sentence of Section 4(b), under Sections 4(a), 4(c), 4(d),

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4(e), 6(a), and 6(e) and, in the case of a termination occurring as described in (ii) above, under Section 3(c) and under the last sentence of Section 8, shall also remain in effect.

10. *Termination.* This Agreement may be terminated for any reason at any time by the Issuer as to any Agent or, in the case of any Agent, by such Agent insofar as this Agreement relates to such Agent, upon the giving of one day's written notice of such termination to the other parties hereto. Any settlement with respect to Notes placed by an Agent occurring after termination of this Agreement shall be made in accordance with the Procedures and each Agent agrees, if requested by the Issuer, to take the steps therein provided to be taken by such Agent in connection with such settlement.

11. *Appointment of Additional Agents.* The Issuer, in its sole discretion, may appoint one or more additional parties to act as Agents hereunder from time to time. Any such appointment shall be made in writing signed by the Issuer and the party so appointed. Such appointment shall become effective in accordance with its terms after the execution and delivery of such writing by the Issuer and such other party. When such appointment is effective, such other party shall be deemed to be one of the Agents referred to in, and to have the rights and obligations of an Agent under, this Agreement, subject to the terms and conditions of such appointment. The Issuer shall deliver a copy of such appointment to the Agents promptly after it becomes effective.

12. *Notices.* Except as otherwise provided herein, all notices and other communications hereunder will be in writing and will be deemed to have been duly given if mailed or transmitted by any reasonable form of telecommunication including facsimile or such other means as agreed to by a particular Agent. Except as otherwise provided in the Procedures, all notices shall be sent to them at the following addresses:

To the Issuer:

Hewlett-Packard Company  
3000 Hanover Street  
MS1042  
Palo Alto, California 94304  
Attn: Assistant Treasurer  
Fax (650) 852-8412

*with a copy to:*

General Counsel  
Hewlett-Packard Company  
3000 Hanover Street  
MS1056  
Palo Alto, California 94304  
Fax (650) 857-4392

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To the Agents:

<b>Salomon Smith Barney Inc.</b> 390 Greenwich Street New York, NY 10013	<b>Banc of America Securities LLC</b> <b>Bank of America Corporate</b> <b>Center</b> NCI-007-07-01 100 North Tryon Street Charlotte, NC 28255	<b>BNP Paribas Securities Corp.</b> <b>Attn. FI Debt Syndication</b> <b>Legal</b> <b>Department (Capital</b> <b>Markets)</b> 787 Seventh Avenue New York, NY 10019
<b>Credit Suisse First Boston</b> <b>Corporation</b> Eleven Madison Avenue New York, NY 10010	<b>Deutsche Bank Securities Inc.</b> 31 West 52nd Street New York, NY 10019	<b>Goldman, Sachs &amp; Co.</b> 85 Broad Street New York, NY 10004
<b>HSBC Securities (USA) Inc.</b>	<b>J.P. Morgan Securities Inc.</b>	<b>Merrill Lynch, Pierce, Fenner</b> <b>&amp;</b>

452 Fifth Avenue  
New York, NY 10018

270 Park Avenue  
New York, NY 10017

Smith Incorporated  
4 World Financial Center  
15th Floor  
New York, NY 10080

Scotia Capital (USA) Inc.  
Corporate Bond Group  
1 Liberty Plaza, 25th Floor  
165 Broadway  
New York, NY 10006

The Williams Capital Group,  
L.P.  
650 Fifth Avenue  
New York, NY 10019

In the case of any party hereto, alternatively notice may be directed to such other address or person as such party shall specify to each other party by a notice given in accordance with the provisions of this Section 12. Any such notice shall take effect at the time of receipt.

13. *Successors.* This Agreement and any Terms Agreement will inure to the benefit of and be binding upon the parties hereto, their respective successors, the officers and directors and controlling persons referred to in Section 7 and, to the extent provided in Section 6(e), any person who has agreed to purchase Notes from the Issuer as the result of solicitation by any Agent pursuant hereto, and no other person will have any right or obligation hereunder.

14. *Governing Law; Counterparts.* This Agreement and any Terms Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflicts of laws principles thereof. This Agreement may be executed in counterparts and the executed counterparts shall together constitute a single instrument.

15. *Entire Agreement.* This Agreement incorporates the entire agreement between the parties hereto with respect to the transactions contemplated herein. All prior negotiations and agreements between the parties are merged in, and superseded by, this Agreement and there are no agreements, representations or warranties between the parties other than those set forth or provided for herein.

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If the foregoing correctly sets forth our agreement, please indicate your acceptance hereof in the space provided for that purpose below.

Very truly yours,

HEWLETT-PACKARD COMPANY

/s/ CHARLES N. CHARNAS

By: Charles N. Charnas  
Vice President, Deputy General Counsel and Assistant  
Secretary

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CONFIRMED AND ACCEPTED, as of  
the date first above written:

Salomon Smith Barney Inc.

Banc of America Securities LLC

By: /s/ CRAIG KRINBRING

By: /s/ MICHAEL G. CANN

Title: Vice President

Title: Vice President



BNP Paribas Securities Corp.

By: /s/ DOUGLAS COOK

Title: Managing Director

Deutsche Bank Securities Inc.

By: /s/ NIGEL CREE

Title: Managing Director

By: /s/ MATTHEW EASTWICK

Title: Director

HSBC Securities (USA) Inc.

By: /s/ ROB GELNAW

Title: Senior Vice President

Merrill Lynch, Pierce, Fenner & Smith Incorporated

By: /s/ SABINA CEDDIA

Title: Duly Authorized Attorney

Credit Suisse First Boston Corporation

By: /s/ HELENA WILLNER

Title: Director

Goldman, Sachs & Co.

By: /s/ GOLDMAN, SACHS & COMPANY

Title: \_\_\_\_\_

J.P. Morgan Securities Inc.

By: /s/ CARL MEHLDAU

Title: Vice President

Scotia Capital (USA) Inc.

By: /s/ FRANK PINON

Title: Managing Director

The Williams Capital Group, L.P.

By: /s/ CRAIG SIMMONS

Title: Principal

**Exhibit A**

**Hewlett-Packard Company**

**\$**

**[Title of Security]**

**Terms Agreement**

, 200

[Name and Address of Purchasers]

Ladies and Gentlemen:

Hewlett-Packard Company (the "Issuer") proposes to issue and sell to [ ] (the "Purchaser(s)") the securities specified in the Schedule hereto (the "Purchased Notes"). Except as otherwise expressly provided herein, all capitalized terms used herein without definition, which are defined in the Agency Agreement dated as of December 6, 2002 between the Issuer and the Agents named therein, shall have the

same meanings as in the Agency Agreement. The terms Agent or Agents, as used in the Agency Agreement, shall be deemed to refer to the undersigned Purchaser(s) for the purposes of this Terms Agreement.

1. Subject to the terms and conditions: (a) set forth herein; and (b) set forth in the Agency Agreement and incorporated herein by reference, the Issuer agrees to issue and sell to the Purchaser(s), and the Purchaser(s) agree(s) severally to purchase from the Issuer, the Purchased Notes, at the time and place, in the principal amount and at the purchase price set forth in the Schedule hereto.

2. This Terms Agreement incorporates by reference the last paragraph of Section 3(a), the last two paragraphs of Section 3(b), Sections 3(c), 3(d), 3(e) 3(f), 3(g), 4, 6(a), 7, 8(b), 9 and 12-15 of the Agency Agreement, and, to the extent applicable, the Procedures. The Issuer and the Purchaser(s) agree to perform, to the extent applicable, each such person's respective duties and obligations specifically provided to be performed by each such person in the Procedures.

3. The Purchaser(s) obligation to purchase the Purchased Notes hereunder is subject to the following:

(a) the accuracy of each of the representations and warranties of the Issuer set forth in Section 2 of the Agency Agreement at and as of the date of this Terms Agreement, except that each such representation and warranty that makes reference to the Prospectus (as therein defined and as amended through the date hereof) shall be deemed to be a representation and warranty as of the date of the Agency Agreement in relation to the Prospectus, and also a representation and warranty as of the date of this Terms Agreement in relation to the Prospectus as will be amended and supplemented to relate to the Purchased Notes;

(b) the satisfaction at the Time of Delivery, of each of the conditions set forth in the opening paragraph and subsections (a), (b) and (c) (and at the option of the Purchaser(s) subsections (d) through (g)) of Section 5 of the Agency Agreement (it being understood that each document so required to be delivered shall be dated such Time of Delivery and that each such condition and the statements contained in each such document that relate to the Registration Statement or the Prospectus shall be deemed to relate to the Registration Statement or the Prospectus, as the case may be, as amended or supplemented as of the Time of Delivery;

(c) the satisfaction of subsection 5(h); and

(d) the satisfaction prior to the Time of Delivery, of each of the conditions set forth in subsections (a), (b), (c) and (d) of Section 6 of the Agency Agreement.

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4. An amendment to the Registration Statement or a supplement to the Prospectus, as the case may be, relating to the Purchased Notes, in the form heretofore delivered to the Purchaser(s) is now proposed to be filed with the SEC.

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If the foregoing is in accordance with your understanding, please sign and return to us \_\_\_\_\_ counterparts hereof, and upon acceptance hereof by you, this letter and such acceptance hereof, including those provisions of the Agency Agreement incorporated herein by reference, shall constitute a binding agreement between you and the Issuer.

HEWLETT-PACKARD COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted:

[NAME OF PURCHASER(S)]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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**Schedule to Exhibit A**

*Title of Purchased Notes:*

[ %] Medium Term Notes, Series B due

*Aggregate Principal Amount:*

[\$ or units of other specified currency]

Purchase Price by the Purchaser(s):

% of the principal amount of the Purchased Notes [, plus accrued interest, if any, from to ]

*Method of and Specified Funds for Payment of Purchase Price:*

By wire transfer to a bank account specified by the Issuer in immediately available funds.

*Senior Indenture:*

Senior Indenture, dated as of June 1, 2000, between the Issuer and J.P. Morgan Trust Company, National Association, as Trustee.

*Time and Date of Delivery:*

*Closing Location for Delivery of Notes:*

*Maturity:*

*Interest Rate/Formula:*

[%]

*Interest Payment Dates:*

[months and dates]

*Original Issue Discount:*

*Redemption Provisions, if any:*

*Repurchase Provisions, if any:*

*Sinking Fund Provisions, if any:*

*Standstill, if any:*

*Documents to be Delivered:*

The following documents referred to in the Agency Agreement shall be delivered as a condition to the closing, if and to the extent set forth below:

[(1) An opinion or opinions of counsel as contemplated in Section 5(d).]

[(2) An officers' certificate dated the Closing Date, as contemplated in Section 5(e).]

[(3) An accountants' letter as contemplated in Section 5(f).]

[(4) An opinion of Agents' Counsel as contemplated in Section 5(g).]

*Other Provisions (Including Syndicate Provisions, if Applicable):*

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**Exhibit B**

#### Administrative Procedures

The Medium-Term Notes, Series B, due nine months or more from their issue date (the "Notes") are to be offered from time to time by Hewlett-Packard Company (the "Issuer") and Salomon Smith Barney Inc., Banc of America Securities LLC, BNP Paribas Securities Corp., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Goldman, Sachs & Co., HSBC Securities (USA) Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Scotia Capital (USA) Inc. and The Williams Capital Group, L.P. as agents (each individually an "Agent" and collectively the "Agents"), have agreed to use reasonable best efforts to solicit purchases of the Notes pursuant to an Agency Agreement dated December 6, 2002 (the "Agency Agreement"), among the Issuer and the Agents. No Agent will be obligated to purchase Notes for its own account. The Notes will be issued pursuant to an Indenture, dated as of June 1, 2000, with respect to Senior Debt Securities (the "Senior Indenture"), between the Issuer and J.P. Morgan Trust Company, National Association, as trustee (the "Trustee"). The Notes will rank equally with all other unsecured senior debt securities of the Issuer and have been registered with the Securities and Exchange Commission (the "SEC").

Each Note will be represented initially by either a Global Security registered in the name of a nominee of The Depository Trust Company, as Depository ("DTC") (a "Book-Entry Note") or a certificate issued in definitive form (a "Certificated Note"). It is currently contemplated that both Fixed Rate Notes (as defined below) and Floating Rate Notes (as defined below) may be issued as Book-Entry Notes.

Procedures and specific terms of the Notes and the offering, to the extent Notes are offered and sold through the Agents, are explained below. Administrative and record-keeping responsibilities will be handled for the Issuer by its Treasury Department. Unless the Issuer otherwise advises each Agent, the persons handling administrative responsibilities with whom each Agent is to communicate regarding offers to purchase Notes and the details of their delivery is the Assistant Treasurer, Hewlett-Packard Company, 3000 Hanover Street, MS1042, Palo Alto, California 94304. To the extent that the following Procedures conflict with the provisions of the Notes, the Senior Indenture or the Letter (as defined below), the relevant provisions of the Note, the Senior Indenture or the Letter shall control.

Capitalized terms used in these Procedures without definition shall have the respective meanings given to such terms in the Agency Agreement.

## I. Certificated Notes and General Terms

Unless otherwise agreed by the Issuer and the relevant Agent, the following Procedures and specific terms are applicable to Certificated Notes and, except to the extent otherwise specified under II below, Book-Entry Notes.

**Original Issue Date:** Each Note will be dated the date of its authentication. Each Note will also bear an original issue date which, with respect to any Note (or portion thereof), shall mean the date of its original issuance and shall be specified therein. The original issue date shall remain the same for all Notes subsequently issued upon transfer, exchange or substitution of a Note, regardless of their dates of authentication.

**Maturities:** Each Note will mature on a date, selected by the purchaser and agreed to by the Issuer, which will be at least nine months after the date of issue and which, unless otherwise specified in the applicable Pricing Supplement, will be an Interest Payment Date.

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**Redemption or Repurchase:** The Notes will not be redeemable or subject to repurchase by the Issuer prior to maturity or subject to repurchase at the option of the holder of the Notes prior to maturity, unless otherwise specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the redemption or repurchase dates for Notes subject to redemption or repurchase will correspond with the Interest Payment Date (as defined below) for such Notes.

**Price to Public:** Each Note will be issued at 100% of principal amount, unless otherwise specified in the applicable Pricing Supplement.

**Denominations:** Minimum denominations of U.S. \$1,000 increased in multiples of \$1,000, unless otherwise specified in the applicable Pricing Supplement, or such other specified denominations for foreign or composite currencies as will be agreed between the Issuer and the relevant Agent and specified in the applicable Pricing Supplement.

**Registration:** Notes will be issued only in fully registered form without coupons.

**Interest Payment:** **Fixed Rate Notes.** Interest will accrue on each Note bearing interest at a Fixed Rate (the "Fixed Rate Notes") at the annual rate stated on the face thereof and in the applicable Pricing Supplement, and will be payable in arrears on the Interest Payment Dates specified in the applicable Pricing Supplement (an "Interest Payment Date" with respect to such Fixed Rate Note) and at maturity. Unless otherwise specified in the applicable Pricing Supplement, interest on a Fixed Rate Note will be payable to the holder of record for such Fixed Rate Note on the date (whether or not a business day) that is fifteen calendar days (unless otherwise specified in a Pricing Supplement) immediately preceding the Interest Payment Date (a "Regular Record Date" with respect to such Fixed Rate Note) specified in the Pricing

Supplement. Interest payable on a Fixed Rate Note (including payments for partial periods) will be calculated and paid on the basis of a 360-day year of twelve 30-day months.

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**Floating Rate Notes.** Interest will accrue on each Note bearing interest at a Floating Rate ("Floating Rate Notes") at the variable rate determined by reference to an interest rate formula or formulas, which may be adjusted by adding or subtracting the spread and/or spread multiplier as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, interest on a Floating Rate Note will be payable on the Interest Payment Date with respect to such Floating Rate Note, to the holder of record of such Floating Rate Note on the Regular Record Date (whether or not such day is a business day) with respect to such Floating Rate Note. Accrued interest on a Floating Rate Note will be calculated by multiplying the principal amount of the Floating Rate Note by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. Unless otherwise specified in the Pricing Supplement, the interest factor for each day is computed by dividing the interest rate in effect on that day by (i) the actual number of days in the year, in the case of Floating Rate Notes that are Treasury Rate Notes and CMT Rate Notes or (ii) 360 days, in the case of all other Floating Rate Notes.

With respect to both Floating Rate Notes and Fixed Rate Notes, each Interest Payment Date will include interest accrued from and including the date of issue or the last date to which interest has been paid, as the case may be, to, but excluding the applicable Interest Payment Date or the maturity date, as the case may be.

Each Agent will promptly advise the Issuer of each reasonable offer to purchase Notes received by it, other than those rejected by such Agent. Each Agent may, however, in its reasonably exercised discretion, without notice to the Issuer, reject any offer received by it, in whole or in part. The Issuer will have the sole right to accept offers to purchase Notes and may reject any such offer, in whole or in part. If the Issuer rejects an offer solicited by an Agent, the Issuer will promptly notify the Agent involved.

**Acceptance of Offers:**

All offers accepted by the Issuer will be settled on the third business day following the date of acceptance unless otherwise agreed by any purchaser and the Issuer. Prior to 3:00 p.m., New York City time, on the business day next preceding the settlement date, the Issuer will instruct the Trustee to authenticate and deliver the Notes no later than 2:15 p.m., New York City time, on the settlement date.

**Settlement:**

For each offer solicited by an Agent that is accepted by the Issuer, the Agent who presented the offer (the "Presenting Agent") shall communicate to the Issuer's Treasury Department by telephone, facsimile transmission or other acceptable means the following information (the "Purchase Information"):

**Details for Settlement:**

1. Exact name in which the Note or Notes are to be registered (the "Registered Owner").
2. Exact address of the Registered Owner.
3. Taxpayer identification number of the Registered Owner.

4. Principal amount of each Note to be delivered to the Registered Owner.
5. If a Fixed Rate Note, the interest rate and initial Interest Payment Date.
6. Trade date.
7. Settlement date.
8. Maturity date.
9. Specified currency and, if the specified currency is other than U.S. dollars, the applicable exchange rate for such specified currency.
10. The exchange rate agent, if other than J.P. Morgan Trust Company, National Association, and the exchange rate determination date, if applicable.
11. Issue price.
12. Presenting Agent's commission.
13. Net proceeds to the Issuer.
14. If a Note is redeemable or subject to repurchase by the Issuer, such of the following as are applicable:
  - (i) Redemption date,
  - (ii) Redemption price,
  - (iii) Amount that the redemption price shall decline (but not below par) on each anniversary of the redemption date, if applicable,
  - (iv) Repurchase date, and
  - (v) Repurchase price.
15. If a Note is subject to repurchase at the option of the holder:
  - (i) Repurchase date, and
  - (ii) Repurchase price.
16. If an original issue discount Note, each of the following:
  - (i) the total amount of original issue discount,

- (ii) the yield to maturity, and
- (iii) the initial accrual period of original issue discount.

17. If a Floating Rate Note, such of the following as are applicable:

- (i) Interest rate basis,
  - (1) CD Rate,
  - (2) Commercial Paper Rate,
  - (3) Federal Funds Rate,
  - (4) LIBOR,

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- (5) Treasury Rate,
- (6) Prime Rate,
- (7) CMT Rate,
- (8) Other.
- (ii) Index maturity,
- (iii) Index currency,
- (iv) Spread,
- (v) Spread multiplier,
- (vi) Maximum interest rate,
- (vii) Minimum interest rate,
- (viii) Interest rate base,
- (ix) Initial interest rate,
- (x) Interest reset dates,
- (xi) Calculation dates,
- (xii) Interest determination dates,



- (xiii) Interest Payment Dates,
  - (xiv) Regular Record Dates, and
  - (xv) Calculation agent.
18. Presenting agent.
19. Specifications of any of the following provisions, if applicable:
- [Amortizing Notes]
  - [Indexed Notes]
  - [Floating/Fixed Rate Notes]
  - [Dual Currency Notes]
  - [Interest Rate Reset]
  - [Extension of Maturity]
  - [Tax Redemption]
20. Such other information as may be requested by the Issuer.

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The original issue date of, and the settlement date for, Notes will be the same. Before accepting any offer to purchase Notes to be settled in fewer than three business days, the Issuer shall verify that the Trustee will have adequate time to prepare and authenticate the Notes. After receiving the details for each offer from the Presenting Agent, the Issuer will, after recording the details and any necessary calculations, communicate the Purchase Information by telephone, facsimile transmission or other acceptable means, to the Trustee. Prior to preparing the Notes for delivery, the Trustee will confirm the Purchase Information by telephone with the Presenting Agent. The Trustee will assign to and enter on each Note a transaction number.

Special provisions relating to Certificated Notes denominated or payable in a currency, currencies, a currency unit or currency units other than U.S. dollars may be agreed by the Issuer and the Agents at a later time or specified in the applicable Pricing Supplement.

For each accepted offer solicited by an Agent, the Presenting Agent will issue a confirmation of the terms, with a copy to the Issuer's Treasury Department, setting forth the Purchase Information and delivery and payment instructions (each a "Written Confirmation").

**Confirmation:**

**Note Deliveries and Cash Payment:**

Upon the receipt of appropriate documentation and instructions, which may be by telephone to be

confirmed in writing from the Issuer, and verification thereof, the Trustee will cause the Notes to be prepared and authenticated and hold the Notes for delivery against payment.

The Trustee will deliver the Notes, in accordance with instructions from the Issuer, to the Presenting Agent, as the Issuer's agent, for the benefit of the purchaser only against delivery of a receipt therefor.

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**Agents' Addresses  
For Delivery of  
Certificated Notes:**

<b>Salomon Smith Barney Inc. 390 Greenwich Street New York, NY 10013</b>	<b>Banc of America Securities LLC Bank of America Corporate Center NCI-007-07-01 100 North Tryon Street Charlotte, NC 28255</b>	<b>BNP Paribas Securities Corp. Attn. FI Debt Syndication Legal Department (Capital Markets) 787 Seventh Avenue New York, NY 10019</b>
<b>Credit Suisse First Boston Corporation Eleven Madison Avenue New York, NY 10010</b>	<b>Deutsche Bank Securities Inc. 31 West 52nd Street New York, NY 10019</b>	<b>Goldman, Sachs &amp; Co. 85 Broad Street New York, NY 10004</b>
<b>HSBC Securities (USA) Inc. 452 Fifth Avenue New York, NY 10018</b>	<b>J.P. Morgan Securities Inc. 270 Park Avenue New York, NY 10017</b>	<b>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated 4 World Financial Center New York, NY 10080</b>
<b>Scotia Capital (USA) Inc. Corporate Bond Group 1 Liberty Plaza 165 Broadway, 25th Floor New York, NY 10026</b>	<b>The Williams Capital Group, L.P. 650 Fifth Avenue New York, NY 10019</b>	

The presenting agent, as the Issuer's agent, will (i) deliver the Notes (with the written provided for above) to the purchaser thereof against payment by such purchaser in immediately available funds and (ii) give instructions for payment to be made to the Issuer of an amount equal to the face amount of Notes less the Presenting Agent's commission. Delivery of any confirmation or Note will be made in compliance with "Delivery of Prospectus" below.

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**Fails:**

In the event that a purchaser fails to take delivery of and make payment for a Note on the applicable settlement date, the Presenting Agent will notify the Trustee and the Issuer by telephone, to be confirmed in writing. If the Note has been delivered to the Presenting Agent, as the Issuer's agent, the Agent shall return such Note to the Trustee. If funds have been advanced to the Issuer by the Presenting Agent for the purchase of such Note, the Issuer will, immediately upon receipt of such notification from the Trustee, refund the payment previously made to it by the Presenting Agent in immediately available funds. Such payments will be made on the settlement date, if possible, and in

any event not later than the business day following the settlement date. If such failure occurs for any reason other than the failure of the Presenting Agent to provide the Purchase Information to the Issuer or to provide a confirmation to the purchaser, the Issuer will reimburse the Presenting Agent on an equitable basis for its loss of the use of funds during the period when such funds were credited to the account of the Issuer.

Immediately upon receipt of the Note in respect of which the failure occurred, the Trustee will cause the Security Registrar (as defined in the Senior Indenture) to make appropriate entries to reflect the fact that the Note was never issued and will destroy the Note.

The Issuer and the Agents will discuss from time to time the rates to be borne by the Notes that may be sold as a result of the solicitation of offers by the Agents. Once any Agent has recorded any indication of interest in Notes upon certain terms, and communicated with the Issuer, if the Issuer plans to accept an offer to purchase Notes upon such terms, it will prepare a pricing supplement or sticker reflecting the terms of such Notes and, after approval from the Agents, will arrange to have the required number of copies of the supplement or sticker filed with the SEC within two business days following such acceptance and will supply at least five copies of such sticker or supplement to the Presenting Agent. No settlements with respect to Notes upon such terms may occur prior to such filing and the Agents will not, prior to such filing, mail confirmations to customers who have offered to purchase Notes upon such terms. After such filing, sales, mailing of confirmations and settlements may occur with respect to Notes upon such terms, subject to the provisions of "Delivery of Prospectus" below.

If the Issuer decides to "post" fixed interest rates and a decision has been reached to change interest rates, the Issuer will promptly notify each Agent. Each Agent will forthwith suspend solicitation of purchases. At that time, the Agents will recommend and, promptly thereafter, the Issuer will establish fixed interest rates to be so posted. Following establishment of posted fixed interest rates and prior to the filing of the pricing supplement or sticker described in the preceding paragraph, the Agents may only record indications of interest in purchasing Fixed Rate Notes at the posted fixed interest rates. After such filing, sales, mailing of confirmations and settlements at the posted rates may resume, subject to the provisions of "Delivery of Prospectus" below.

Outdated stickers, supplements and copies of the prospectus to which they are attached (other than those retained for files), will be destroyed.

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**Suspension of Solicitation:**

As provided in the Agency Agreement, the Issuer may suspend solicitation of purchases at any time and, upon receipt of notice from the Issuer, each Agent will forthwith suspend solicitation until such time as the Issuer has advised them that solicitation of purchases may be resumed.

**Delivery of Prospectus:**

With respect to each purchase resulting from a solicitation by any Agent, a copy of the Prospectus, as most recently amended or supplemented on the date of delivery thereof (except as provided below), but excluding materials incorporated by reference therein, must be delivered to a purchaser prior to or together with the earlier of delivery of (i) the Written Confirmation and (ii) any Note purchased by such purchaser as a result of such solicitation. The Issuer shall ensure that the Presenting Agent receives such number of copies of the Prospectus and each amendment or supplement thereto (including appropriate pricing stickers, if any) reasonably requested by the Presenting Agent, but

excluding materials incorporated by reference therein, by telecopy or overnight express (for delivery not later than 11:00 a.m. on the second business day following the trade date) to enable the Presenting Agent to deliver such confirmation or Note to such purchaser as contemplated by these Procedures and in compliance with the preceding sentence. If, since the date of acceptance of such purchaser's offer, the Prospectus shall have been supplemented solely to reflect any sale of Notes on terms different from those agreed to between the Issuer and such purchaser or a change in posted rates not applicable to such purchaser, such purchaser shall not receive the Prospectus as supplemented by such new supplement, but shall receive the Prospectus as supplemented to reflect the terms of the Notes being purchased by such purchaser and otherwise as most recently amended or supplemented on the date of delivery of the Prospectus.

**Agents' Addresses  
For Delivery of  
Certificated Notes:**

**Salomon Smith Barney Inc.  
390 Greenwich Street  
New York, NY 10013**

**Banc of America Securities LLC  
Bank of America Corporate Center  
NCI-007-07-01 100  
North Tryon Street  
Charlotte, NC 28255**

**BNP Paribas Securities Corp.  
Attn. FI Debt Syndication Legal  
Department (Capital Markets)  
787 Seventh Avenue  
New York, NY 10019**

**Credit Suisse First Boston  
Corporation  
Eleven Madison Avenue  
New York, NY 10010**

**Deutsche Bank Securities Inc.  
31 West 52nd Street  
New York, NY 10019**

**Goldman, Sachs & Co.  
85 Broad Street  
New York, NY 10004**

**HSBC Securities (USA) Inc.  
452 Fifth Avenue  
New York, NY 10018**

**J.P. Morgan Securities Inc.  
270 Park Avenue  
New York, NY 10017**

**Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
4 World Financial Center  
New York, NY 10080**

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**Scotia Capital (USA) Inc.  
1 Liberty Plaza  
165 Broadway, 25th Floor  
New York, NY 10026**

**The Williams Capital Group, L.P.  
650 Fifth Avenue  
New York, NY 10019**

**Authenticity of Signatures:**

The Issuer will cause the Trustee to furnish the Agents from time to time with the specimen signatures of the Trustee's officers, employees or agents who have been authorized by the Trustee to authenticate Notes, but the Agents will have no obligation or liability to the Issuer or the Trustee in respect of the authenticity of the signature of any officer, employee or agent of the Issuer or the Trustee on any Note.

**Advertising Cost:**

The Issuer will determine with the Agents the amount of advertising that may be appropriate in offering the Notes.

**II. BOOK-ENTRY NOTES**

The following Procedures with respect to the offering of Book-Entry Notes, supplement and, to the extent inconsistent therewith, replace the Procedures set forth in Section I, above, with respect to the offering of Certificated Notes. In connection with the qualification of the Book-Entry Notes for eligibility in the book-entry system maintained by the DTC, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with the Trustee's obligations (i) under a Letter of Representations (the "Letter") from the Issuer and the Trustee to be entered into with DTC (ii) under a Medium-Term Note Certificate Agreement between the Trustee and DTC dated as of December 2, 1988, and (iii) as a participant in DTC, including DTC's Same-Day Funds Settlement System ("SDFS"). Both Fixed and Floating Rate Notes may be issued in book-entry form.

**Issuance:**

On any settlement date for one or more Book-Entry Notes, the Issuer will issue a single Global Security in fully registered form without coupons (a "Global Security") representing up to \$500,000,000 principal amount of all such Notes that have the same maturity date, redemption provisions, if any, repurchase provisions at the option of the holder or the Issuer, as the case may be, if any, Interest Payment Dates, interest rate basis, spread or spread multiplier, maximum or minimum interest rates, index maturity, interest determination dates, interest reset dates (as such terms are defined in the applicable Prospectus Supplement or Pricing Supplement), original issue date and original issue discount provisions, if any, in each case, to the extent applicable (collectively, the "Terms"). Each Global Security will be dated and issued as of the date of its authentication by the Trustee. Each Global Security will bear an issue date, which will be (i) with respect to an original Global Security (or any portion thereof), its original issue date, and (ii) following a consolidation of Global Securities, the most recent Interest Payment Date to which interest has been paid or duly provided for on the predecessor Global Securities, regardless of the date of authentication of such subsequently issued Global Security. No Global Security will represent any Certificated Note.

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**Identification Numbers:**

The Issuer will arrange with the CUSIP Service Bureau of Standard & Poor's Corporation (the "CUSIP Service Bureau") for the reservation of a series of CUSIP numbers, consisting of approximately 900 CUSIP numbers relating to Global Securities representing Book-Entry Notes. The Issuer will obtain from the CUSIP Service Bureau a written list of such series of reserved CUSIP numbers and will deliver to the Trustee and DTC a written list of CUSIP numbers of such series. The Trustee will assign CUSIP numbers to Global Securities as described below under Settlement Procedure "C." DTC will notify the CUSIP Service Bureau periodically of the CUSIP numbers that the Trustee has assigned to Global Securities. The Trustee will notify the Issuer at any time when fewer than 100 of the reserved CUSIP numbers remain unassigned to Global Securities, and if it deems necessary, the Issuer will reserve additional CUSIP numbers for assignment to Global Securities representing Book-Entry Notes. Upon obtaining such additional CUSIP numbers, the Issuer shall deliver a list of such additional CUSIP numbers to the Trustee and DTC.

**Registration:**

Each Global Security will be registered in the name of Cede & Co., as nominee for DTC, on the Security Register (as defined in the Senior Indenture) maintained under the Senior Indenture. The beneficial owner of a Book-Entry Note (or one or more indirect participants in DTC designated by such owner) will designate one or more participants in DTC (with respect to such Note, the "Participants") to act as agent or agents for such owner in connection with the book-entry system maintained by DTC, and DTC will record in book-entry form, in accordance with instructions provided by such Participants, a credit balance with respect to such Note in the account of such Participants. The ownership interest of such beneficial owner in such Note will be recorded through the records of such Participants or through the separate records of such Participants and one or more indirect participants in DTC.

Transfers of a Book-Entry Note will be accomplished by book entries made by DTC and, in turn, by Participants (and, in certain cases, one or more indirect participants in DTC) acting on behalf of beneficial transferors and transferees of such Note.

**Transfers:**

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The Trustee may deliver to DTC and the CUSIP Service Bureau at any time a written notice of consolidation (a copy of which shall be attached to the Global Security resulting from such consolidation) specifying (i) the CUSIP numbers of two or more outstanding Global Securities that represent Book-Entry Notes having the same Terms (other than original issue date) and for which interest has been paid to the same date, (ii) a date, occurring at least 30 days after such written notice is delivered and at least 30 days before the next Interest Payment Date for such Book-Entry Notes, on which such Global Securities shall be exchanged for a single replacement Global Security and (iii) a new CUSIP number to be assigned to such replacement Global Security. Upon receipt of such a notice, DTC will send to its Participants (including the Trustee) a written reorganization notice to the effect that such exchange will occur on such date. Prior to the specified exchange date, the Trustee will deliver to the CUSIP Service Bureau a written notice setting forth such exchange date and the new CUSIP number and stating that, as of such exchange date, the CUSIP numbers of the Global Securities to be exchanged will no longer be valid. On the specified exchange date, the Trustee will exchange such Global Securities for a single Global Security bearing the new CUSIP number and a new original issue date and the CUSIP numbers of the exchanged Global Securities will, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. Notwithstanding the foregoing, if the Global Securities to be exchanged exceed \$500,000,000 in aggregate principal amount, one Global Security will be authenticated and issued to represent each \$500,000,000 of principal amount of the exchanged Global Securities and one or more additional Global Securities will be authenticated and issued to represent any remaining principal amount of such Global Securities (see "Denominations" below).

**Exchanges:**

With respect to each Book-Entry Note that is subject to repurchase at the option of the holder, the Trustee will furnish DTC not more than 60 days prior to the settlement date (or such shorter period acceptable to DTC) pertaining to such Book-Entry Note a notice setting forth the terms of such repurchase option. Such terms shall include the start date and end dates of the first exercise period, the repurchase date following such first exercise period, the frequency with which such exercise periods occur (i.e., quarterly, semiannually, annually, etc.) and, if the repurchase option expires before maturity, the same information (except frequency) concerning the last exercise period.

**Notice of Repayment Terms:**

The Trustee will comply with the terms of the Letter with regard to redemptions and repayments of the Notes. If a Global Security is to be redeemed or repaid in part, the Trustee will exchange such Global Security for two Global Securities, one of which shall represent the portion of the Global Security being redeemed or repaid and shall be canceled immediately after issuance and the other of which shall represent the remaining portion of such Global Security and shall bear the CUSIP number of the surrendered Global Security.

**Redemption and Repayment:**

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Unless otherwise agreed between the Issuer and the relevant Agent, Book-Entry Notes will be issued in principal amounts of \$1,000 or any multiple thereof. Global Securities will be denominated in principal amounts not in excess of \$500,000,000. If one or more Book-Entry Notes having an aggregate principal amount in excess of \$500,000,000 would, but for the preceding sentence, be represented by a single Global Security, then one Global Security will be issued to represent each \$500,000,000 principal amount of such Book-Entry Note or Notes and one or more additional Global Securities will be issued to represent any remaining principal amount of such Book-Entry Note or Notes. In such a case, each of the Global Securities representing such Book-Entry Note or Notes shall be assigned the same CUSIP number.

**Denominations:**

**Publication.** Standard & Poor's Corporation will use the information received in the pending deposit message described under the Settlement Procedure "C" below in order to include the amount of any interest payable and certain other information regarding the related Global Security in the appropriate weekly bond report published by Standard & Poor's Corporation.

**Interest:**

**Notice of Interest Payment and Regular Record Dates.** On the first business day of January, April, July and October of each year, the Trustee will deliver to the Issuer and DTC a written list of Regular Record Dates and Interest Payment Dates that will occur with respect to Book-Entry Notes during the six-month period beginning on such first business day. Promptly after each interest determination date or calculation date, as applicable (as specified in the applicable Note) for Floating Rate Notes, the Issuer, upon receiving notice thereof, will notify Standard & Poor's Corporation of the interest rate determined on such interest determination date or calculation date, as applicable.

**Payments of Interest Only.** Promptly after each Regular Record Date, the Trustee will deliver to the Issuer and DTC a written notice specifying by CUSIP number the amount of interest to be paid on each Global Security on the following Interest Payment Date (other than an Interest Payment Date coinciding with maturity) and the total of such amounts. The Issuer will confirm with the Trustee the amount payable on each Global Security on such Interest Payment Date. DTC will confirm the amount payable on each Global Security on such Interest Payment Date by reference to the daily or weekly bond reports published by Standard & Poor's Corporation. The Issuer will pay to the Trustee the total amount of interest due on such Interest Payment Date (other than at maturity), and the Trustee will pay such amount to DTC at the times and in the manner set forth below under "Manner of Payment." If any Interest Payment Date for a Book-Entry Note is not a business day, the payment due on such day shall be made on the next succeeding business day and no interest shall accrue on such payment for the period from and after such Interest Payment Date.

**Payments of Principal and Interest:**

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**Payments at Maturity.** On or about the first business day of each month, the Trustee will deliver to the Issuer and DTC a written list of principal and interest to be paid on each Global Security maturing either at stated maturity or on a redemption or repurchase date occurring during such month. The Issuer, the Trustee and DTC will confirm the amounts of such principal and interest payments with respect to each such Global Security on or about the fifth business day preceding the maturity of such Global Security. The Issuer will pay to the Trustee, as the paying agent, the principal amount of such Global Security, together with interest due at such maturity. The Trustee will pay such amounts to DTC at the times and in the manner set forth below under "Manner of Payment." If any maturity of a Global Security representing Book-Entry Notes is not a business day,

the payment due on such day shall be made on the next succeeding business day and no interest shall accrue on such payment for the period from and after such maturity. Promptly after payment to DTC of the principal and interest due at the maturity of such Global Security, the Trustee will cancel and destroy such Global Security in accordance with the terms of the Senior Indenture and deliver a certificate of destruction to the Issuer.

**Manner of Payment.** The total amount of any principal and interest due on Global Securities on any Interest Payment Date or at maturity shall be paid by the Issuer to the Trustee in immediately available funds no later than 9:30 a.m. (New York City time), or as soon as practicable thereafter on such date. The Issuer will make such payment on such Global Securities by wire transfer to the Trustee. The Issuer will confirm instructions regarding payment to the Trustee. Prior to 10:00 a.m. (New York City time) on each maturity date or as soon as possible thereafter, following receipt of such funds from the Issuer, the Trustee will pay by separate wire transfer (using fedwire message entry instructions in a form previously specified by DTC) to an account at the Federal Reserve Bank of New York previously specified by DTC, in immediately available funds, each payment of principal (together with interest thereon) due on Global Securities on any maturity date. On each Interest Payment Date, the applicable interest payment shall be made to DTC in immediately available funds in accordance with existing arrangements between the Trustee and DTC. Thereafter, on such Interest Payment Date, DTC will pay, in accordance with its SDFS operating procedures then in effect, such amounts in immediately available funds to the respective participants in whose names the Book-Entry Notes represented by such Global Securities are recorded in the book-entry system maintained by DTC. Neither the Issuer nor the Trustee shall have any direct responsibility or liability for the payment by DTC to such participants of the principal of and interest on the Book-Entry Notes.

**Withholding Taxes.** The amount of any taxes required under applicable law to be withheld from any interest payment on a Book-Entry Note will be determined and withheld by the participant, indirect participant in DTC or other person responsible for forwarding payments and materials directly to the beneficial owner of such Note.

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**Settlement:**

The receipt by the Issuer of immediately available funds in payment for a Book-Entry Note and the authentication and issuance of the Global Security or Global Securities representing such Note shall constitute "settlement" with respect to such Note. All offers accepted by the Issuer will be settled on the third business day from the date of the sale pursuant to the timetable for settlement set forth below unless the Issuer and the purchaser agree to settlement on another day.

**Settlement Procedures:**

Settlement procedures, with regard to each Book-Entry Note sold by the Issuer through a Presenting Agent as agent, shall be as follows (the "Settlement Procedures"):

- A. The Presenting Agent shall communicate the Purchase Information to the Issuer's Treasury Department by telephone, facsimile transmission or other acceptable means.
- B. After receiving the Purchase Information from the Presenting Agent, the Issuer will, after recording the details and any necessary calculations, communicate the relevant Purchase Information to the Trustee by telephone, facsimile transmission or other acceptable means.



The Trustee will assign a CUSIP number to the Global Security representing such Note and will telephone the Issuer and advise the Issuer of such CUSIP number. The Trustee will

- C. enter a pending deposit message through DTC's Participant Terminal System, providing the following settlement information to DTC (which shall route such information to Standard & Poor's Corporation and Interactive Data Services) and the Presenting Agent:
1. The applicable information set forth in Settlement Procedure "A."
  2. Identification as a Fixed Rate Book-Entry Note or a Floating Rate Book-Entry Note.
  3. Interest payment period.
  4. The initial Interest Payment Date for such Note, number of days by which such date succeeds the related DTC record date (which shall be the Regular Record Date as defined in the Note unless otherwise specified in the applicable Pricing Supplement) and amount of interest payable on such Interest Payment Date per \$1,000 principal amount of Notes.
  5. Participants' account numbers maintained by DTC on behalf of the Trustee and the Presenting Agent.
  6. CUSIP number of the Global Security representing such Note.
  7. Whether such Global Security will represent any other Book-Entry Note (to the extent known at such time).
- D. The Issuer will deliver to the Trustee a Global Security representing such Note.

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- E. The Trustee will complete and authenticate the Global Security representing such Note. Prior to preparing the Global Security for delivery, the Trustee will confirm the Purchase Information by telephone with the Presenting Agent.

- F. DTC will credit such Note to the Trustee's participant account at DTC.

- G. The Trustee will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC to (i) debit such Note to the Trustee's participant account and credit such Note to the Presenting Agent's participant account and (ii) debit the Presenting Agent's settlement account and credit the Trustee's settlement account for an amount equal to the price of such Note less the Presenting Agent's commission. The entry of such a deliver order shall constitute a representation and warranty by the Trustee to DTC that (i) the Global Security representing such Book-Entry Note has been executed, delivered and authenticated and (ii) the Trustee is holding such Global Security pursuant to the Medium-Term Note Certificate Agreement between the Trustee and DTC.

H. The Presenting Agent will enter an SDFS deliver order through DTC's Participant Terminal System instructing DTC (i) to debit such Note to the Presenting Agent's participant account and credit such Note to the participant accounts of the Participants with respect to such Note and (ii) to debit the settlement accounts of such Participants and credit the settlement account of the Presenting Agent for an amount equal to the price of such Note.

I. Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "G" and "H" will be settled in accordance with SDFS operating procedures in effect on the settlement date.

J. The Trustee, upon confirming receipt of such funds, will wire transfer to the account of the Issuer maintained at Chase Manhattan Bank, New York (Swift Code: CHASUS33) for the account of Hewlett-Packard Company, ABA Number 021 000 021, Account Number 9102409530, in immediately available funds in the amount transferred to the Trustee in accordance with Settlement Procedure "G."

K. The Presenting Agent will confirm the purchase of such Note to the purchaser either by transmitting to the Participants with respect to such Note a confirmation order or orders through DTC's institutional delivery system or by mailing a Written Confirmation to such purchaser.

**Settlement Procedures Timetable:**

For offers of Book-Entry Notes solicited by an Agent and accepted by the Issuer for settlement on the first business day after the sale date, Settlement Procedures "A" through "K" set forth above shall be completed as soon as possible but not later than the respective times (New York City time) set forth below:

SETTLEMENT PROCEDURE	TIME
A	11:00 a.m. on the sale date
B	12:00 noon on the sale date
C	2:00 p.m. on the sale date
D	3:00 p.m. on the sale date
E	9:00 a.m. on settlement date
F	10:00 a.m. on settlement date
G-H	2:00 p.m. on settlement date
I	4:45 p.m. on settlement date
J-K	5:00 p.m. on settlement date

If a sale is to be settled two business days after the sale date, Settlement Procedures "A", "B" and "C" shall be completed as soon as practicable but no later than 11:00 a.m., 12:00 noon and 2:00 p.m., as the case may be, on the first business day after the sale date.

If a sale is to be settled more than two business days after the sale date, settlement procedure "A" shall be completed as soon as practicable but no later than 11:00 a.m. on the first business day after the sale date and Settlement Procedures "B" and "C" shall be completed as soon as practicable but no later than 12:00 noon and 2:00 p.m., as the case may be, on the second business day after the sale

date. If the initial interest rate for a floating rate Book-Entry Note has not been determined at the time that settlement procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rate has been determined but no later than 12:00 noon and 2:00 p.m., respectively, on the business day before the settlement date. Settlement procedure "I" is subject to extension in accordance with any extension of fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the settlement date.

If settlement of a Book-Entry Note is rescheduled or canceled, the Trustee, upon receipt of notice, will deliver to DTC, through DTC's participant terminal system, a cancellation message to such effect by no later than 2:00 p.m. on the business day immediately preceding the scheduled settlement date.

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**Failure to Settle:**

If the Trustee fails to enter an SDFS deliver order with respect to a Book-Entry Note pursuant to Settlement Procedure "G", the Trustee may deliver to DTC, through DTC's Participant Terminal System, as soon as practicable, a withdrawal message instructing DTC to debit such Note to the Trustee's participant account. DTC will process the withdrawal message, provided that the Trustee's participant account contains a principal amount of the Global Security representing such Note that is at least equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Book-Entry Notes represented by a Global Security, the Trustee will mark such Global Security "canceled", make appropriate entries in its records and send such canceled Global Security to the Issuer. The CUSIP number assigned to such Global Security shall, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Book-Entry Notes represented by a Global Security, the Trustee will exchange such Global Security for two Global Securities, one of which shall represent such Book-Entry Note or Notes and shall be canceled immediately after issuance and the other of which shall represent the remaining Book-Entry Notes previously represented by the surrendered Global Security and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Book-Entry Note is not timely paid to the Participants with respect to such Note by the beneficial purchaser thereof (or a Person, including an indirect participant in DTC, acting on behalf of such purchaser), such Participants and, in turn, the Presenting Agent may enter SDFS deliver orders through DTC's Participant Terminal System reversing the orders entered pursuant to Settlement Procedures "H" and "G", respectively. Thereafter, the Trustee will deliver the withdrawal message and take the applicable related actions described in the preceding paragraph. If such failure shall have occurred for any reason other than any failure by the Presenting Agent (including but not limited to the failure to provide the Purchase Information to the Issuer or to provide a confirmation to the purchaser) the Issuer will reimburse the Presenting Agent on an equitable basis for its loss of the use of funds during the period when they were credited to the account of the Issuer.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Note, DTC may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to one or more, but not all, the Book-Entry Notes to have been represented by a Global Security, the Trustee will provide, in accordance with Settlement Procedure "E", for the authentication and issuance of a Global Security representing the other Book-

## QuickLinks

[Exhibit 4.3](#)

[Exhibit A](#)

[Schedule to Exhibit A](#)

[Exhibit B](#)