

Following is the full text of the letter that was received from Xerox on November 5, 2019:

November 5, 2019

Board of Directors

HP Inc.

1501 Page Mill Road,

Palo Alto, California 94304

Attention: Chip Bergh, Chairman

Ladies and Gentlemen:

I want to thank you for facilitating our recent discussions regarding a potential business combination between our two companies. The substantial synergies generated from a transaction are only the beginning of the unique value creation opportunity you and we identified together – enhanced capital allocation, revenue growth, diversification, balance sheet strength and best in class human capital all result from combining our two industry leading companies. Consequently, our Board of Directors fully supports the transaction outlined below. The nature of the opportunity and the moment, combined with the overwhelming support we believe your and our shareholders, employees and other stakeholders will extend to our coming together as one company, furthers our resolve to pursue a potential transaction with you.

Accordingly, we are providing you with the following definitive written proposal to effect the combination of Xerox Holdings Corporation (“Xerox”) and HP Inc. (“HP”):

#### The Proposal

1. Offer. We are prepared to offer HP shareholders \$22.00 per share comprised of \$17.00 in cash and 0.137 Xerox shares for each HP share<sup>1</sup>, for a total transaction value of approximately \$33.5 billion, assuming 1,515 million fully diluted shares outstanding and the balance sheet as of July 31, 2019. Our offer implies 77% cash consideration, with the balance comprised of Xerox shares, resulting in HP shareholders owning approximately 48% of the combined company – allowing your shareholders to both

realize immediate cash value and enjoy equal participation in the substantial upside of synergies resulting from our combination.

Our compelling offer represents:

- a 20% premium to the closing share price of \$18.40 as of November 5, 2019
- incremental value of at least \$14 billion to our respective shareholders based on a 7x multiple of EBITDA
- a 29% premium to the 30-day volume weighted average trading price of \$17.00, excluding the significant value of the shared synergies
- an implied transaction multiple of 6.9x HP's LTM Adjusted EBITDA of \$4.8 billion

2. Strategic Rationale and Potential Synergies. A combination between us is supported by strong industrial logic given our respective strengths in the A3 and A4 markets, complementary footprint, deep cultural fit and shared DNA of innovation. Our combined scale, product portfolio and global reach would allow us to compete effectively in the Production, Large Enterprise and SMB segments, while offering a truly differentiated Managed Services capability. It is difficult to conceive of a strategic alternative for either company that delivers superior value.

Our preliminary analysis shows a clear path to cost synergies of at least \$2.0 billion within 24 months:

- \$0.5 billion in cost savings by leveraging our scale, combined supply chain and distribution footprint, and
- \$1.5 billion in cost savings from combining our world class R&D groups and streamlining corporate functions

Our Board of Directors strongly believes the industry is overdue for consolidation and that those who move first will have a distinct advantage in a secularly declining macro environment. By combining R&D capabilities and financial resources, together we can accelerate the transformation of our businesses and take a leadership role in key growth markets such as: 3D Printing, Digital Packaging and Labels, Graphics, Textile Printing, Workflow Software and IoT Enabled Services.

3. Financing. We will fund the cash component of our offer with a combination of cash on hand and new financing to support the transaction and the new combined company. We have been engaged in ongoing

discussions with Citi on the transaction financing and they have provided to us a highly confident letter evidencing their certainty in arranging financing for the transaction. Given the current status of the capital markets, we and they expect that we will be able to finance the transaction fully with investment grade rated notes. We will obtain a fully committed financing package before signing any final agreement, and closing of the transaction will not be subject to a financing contingency.

4. Fuji Xerox Relationship. Many of your diligence questions to our management team concerned our relationship with FUJIFILM Holdings Corporation (“Fujifilm”) and our ownership stake in Fuji Xerox Co. Ltd. (“Fuji Xerox”). The transactions with Fujifilm and Fuji Xerox that we announced this morning, through which we will divest our ownership stake in Fuji Xerox at an attractive valuation (over 20x annual cash flow), permanently resolve pending litigation without any monetary payment and achieve a more flexible strategic sourcing relationship, will greatly facilitate the speed and ease with which you and we could effect a timely transaction and successful integration of our operations. Fujifilm has already obtained the necessary regulatory approvals in Japan, and as a result we expect to close the transactions with Fujifilm and Fuji Xerox on Friday, November 8, 2019.

5. Due Diligence Timetable. We are prepared to devote all necessary resources to finalize our due diligence on an accelerated basis. Given our discussions to date and our familiarity with each other’s operations and business plans, we believe that you and we could complete our work and concurrently negotiate final documentation in 3 – 4 weeks. We have already engaged Citi as financial advisor and King & Spalding as legal advisor to assist us with completing the transaction.

6. Required Approvals and Closing Conditions. This proposal and potential business combination have been extensively reviewed and approved by Xerox’s Board of Directors – we have their full support. Completion of the proposed transaction would be subject to the approval of the Board of Directors of each of Xerox and HP, as well as our respective shareholders. As you know, we have been working diligently with our regulatory advisors and have a strong understanding of the regulatory framework for a transaction of this nature and do not anticipate any meaningful regulatory hurdles to its completion.

7. Governance. We anticipate that the parties will agree to a governance framework, including board representation, that is customary for a combination of this type.

8. Confidentiality/Definitive Agreement. This letter is submitted to you on a strictly confidential basis and is intended for the Board of Directors of HP only. The terms outlined here are subject to the

completion of due diligence and the negotiation and execution of mutually acceptable definitive transaction documents.

Our Board of Directors and management are excited about the opportunity to create significant value for both of our shareholders, employees and other stakeholders through this unique combination of our two companies. Please do not hesitate to contact me with any questions. I look forward to hearing from you.

Our offer remains open until Wednesday, November 13, 2019.

Sincerely,

A handwritten signature in black ink that reads "John Visentin". The signature is written in a cursive style with a long horizontal stroke at the end.

John Visentin

Vice Chairman and CEO

Xerox Holdings Corporation

Cc: Board of Directors

Xerox Holdings Corporation

<sup>1</sup>Based on Xerox share price of \$36.37 as of November 5, 2019.

Advisors

Goldman Sachs & Co. LLC is serving as financial advisor to HP, and Wachtell, Lipton, Rosen & Katz is legal advisor.