H-P Chairman Ray Lane to step down

The Associated Press

PALO ALTO, California (AP) — Hewlett-Packard Co. said Thursday that chairman Ray Lane is stepping down, two weeks after he was nearly ousted by shareholders at the company's annual meeting. He'll continue to be a board member.

Shareholders are upset by a series of mistakes that have damaged the company's share price, including the $8.8 billion write-down on the $10 billion acquisition of business software maker Autonomy in 2011.

At the March 20 annual shareholders meeting, Lane's re-election as director received just 59 percent support, compared with 96 percent for Ralph Whitworth, a veteran shareholder activist who will run the board temporarily.

Two other board members targeted by the shareholder revolt decided to resign by the May board meeting. They were John Hammergren, a director since 2005 who got 54 percent support, and G. Kennedy Thompson, a director since 2006 who got 55 percent.

"After reflecting on the stockholder vote last month, I've decided to step down as executive chairman to reduce any distraction from HP's ongoing turnaround," Lane, 66, said in a statement.

Meg Whitman, the former eBay Inc. head who took over HP as CEO in September 2011, thanked the three men in a statement. "Their leadership is reflected in the early success we've had turning the company around," she said.

On Thursday, HP shares dipped 5 cents to $22.25 in after-hours trading after closing up 1.8 percent at $22.30. The company's stock is nearly two-thirds below its all-time peak of $69, reached in June 2000.

The company said it will now embark on a search for a permanent non-executive chairman as well as two more independent directors.

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