

Questions for PayPal Holdings, Inc. 2017 Annual Meeting of Stockholders

May 24, 2017

All questions are presented verbatim as submitted (with no edits to grammar, spelling or punctuation) both prior to and during the PayPal Holdings, Inc. ("PayPal") 2017 Annual Meeting of Stockholders ("2017 Annual Meeting"). PayPal expressly disclaims any obligation to update its responses.

If you have any questions or concerns, please feel free to contact Investor Relations at <https://investor.paypal-corp.com/contactus.cfm>.

QUESTION #1

What is the compensation plan for the board?

Brian Yamasaki:

Our non-employee directors receive an annual retainer and equity award for their Board service. The annual retainer is payable in cash or stock, at the director's election. Our director compensation plan is described more fully in our proxy statement.

QUESTION #2

Why is everyone on this board from ebay? We need some new young more diverse thinkers to make sure management is doing what is needed to increase value. The stock price is stagnant.

Brian Yamasaki:

First off, we would like to highlight that a majority of our current directors either have no connection to eBay or served as directors of eBay for a few months prior to joining the PayPal board at separation.

We agree that the Company benefits when there's a mix of experienced directors, with a deep understanding of the Company, and newer directors, who bring a fresh perspective and new ideas. Our Board members have complementary experience and skill sets, which contribute to strong Board dynamics and effective Board oversight.

QUESTION #3

Following our letter of November 16, 2016, representing a group of socially responsible investors with long-term holdings in PayPal, who invest a total of \$15.8 billion, and following the recent petition signed by over 180,000 individuals worldwide, we are concerned about PayPal's exposure to serious human rights and controversy risks over its uneven operation in Israel and Palestine.

PayPal provides services to Israeli settlers living in the occupied Palestinian territories counter to international law. At the same time, Palestinian residents in the same areas do not have access to PayPal merchant services. This disparity translates into a discriminatory practice and represents a growing risk to the company's reputation and social license in the region.

How does PayPal respond to this growing risk? What steps have been taken in response to requests from the Palestinian growing high-tech sector inviting PayPal to join the Palestinian market?

Dan Schulman:

We very much appreciate the outreach and interest from groups working to bring PayPal services to Palestine. The status of our service for Palestinians in the Palestinian Territories or anywhere else is not politically motivated. PayPal's ambition is for everyone to have access to our services for digital payments and commerce, in accordance with applicable regulatory requirements.

We are in an ongoing dialogue with advocates and key stakeholders on this important issue because we ultimately hope to be able to address the risk, compliance, regulatory and resource allocation issues to properly serve customers in the region and other nations where PayPal is not yet present.

We continuously work to develop strategic partnerships, address business feasibility, regulatory and compliance needs and requirements, and acquire the necessary local authority permissions for new market entries. Addressing these matters takes time, but they are critical to our business and necessary to achieving the high service and regulatory standards we hold ourselves to in every market where we operate.

While we do not have any timelines or announcements to make, PayPal will continue to meet with stakeholders to learn more about varying perspectives and factors that may affect our planning and market entry.

QUESTION #4

Please announce at the end of the meeting:

The number of shareholder attendees

The number of director attendees

The number of management attendees

The number of separate questions asked by shareholders

The number of separate answers by management

The number of media attendees.

Brian Yamasaki:

Following the meeting, we will post this information on our annual meeting website.

Answer:

Thank you for your questions:

- PayPal's virtual meeting provider, Broadridge, reports that we had four self-identified stockholders attend through the virtual meeting platform at the 2017 Annual Meeting. However, attendees were also able to join the meeting as "guests" and we are unable to confirm how many of the "guest" attendees are PayPal stockholders.
 - Six of our nine director nominees joined us, in person or virtually, for the 2017 Annual Meeting.
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- Four of the nine members of our senior leadership joined us, in person or virtually, for the 2017 Annual Meeting.
 - PayPal received 16 separate questions and/or comment by stockholders at the 2017 Annual Meeting. Management addressed six of those at the 2017 Annual Meeting. All questions or comments submitted by stockholders have been addressed in these materials, which are being published on our virtual meeting website as well as on our Investor Relations website at <https://investor.paypal-corp.com/events.cfm>.
 - PayPal has no insight into the media that may have accessed the 2017 Annual Meeting.
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QUESTION #5

What were the topics and who were the proponents of the rule 14a-8 proposals submitted for this 2017 meeting that were not included in the proxy

Brian Yamasaki:

Mr. John Chevedden submitted a 14a-8 stockholder proposal with respect to stockholder aggregation limits under our proxy access provision. The Securities and Exchange Commission granted our request for no-action relief to exclude this proposal from our proxy materials.

QUESTION #6

Will all the submitted questions for this meeting be published?

Brian Yamasaki:

Yes, they'll be published following the meeting on our annual meeting website.

Answer:

All questions submitted prior to and during the 2017 Annual Meeting are being published on our virtual meeting website as well as on our Investor Relations website at <https://investor.paypal-corp.com/events.cfm>.

QUESTION #7

Were there special effort to force higher the votes in support of executive pay (as high as \$13 million for at least one executive)?

Brian Yamasaki:

No. No special efforts were made to force a higher vote and we received support from over 95% of the votes cast for our 2016 say-on-pay vote.

QUESTION #8

Why is there no proxy statement available for download?

I am voting against all management proposals for which I have not seen an explanation.

Answer:

The proxy statement is available for download on our Investor Relations website at <https://investor.paypal-corp.com/annuals-proxies.cfm>.

QUESTION #9

No Audio or Video available after logging in

Answer:

We are sorry that you could not access audio or video after logging in to the 2017 Annual Meeting. We tested our systems prior to and during the meeting and were able to access both audio and video.

The 2017 Annual Meeting will be available for replay for 90 days following May 25, 2017 at pypl.onlineshareholdermeeting.com.

QUESTION #10

event.webcasts.com refused to connect.

Answer:

We are sorry that you were not able to connect. The website you were attempting to connect through was not the website used to host the live webcast of the 2017 Annual Meeting.

The 2017 Annual Meeting will be available for replay for 90 days following May 25, 2017 at pypl.onlineshareholdermeeting.com.

QUESTION #11

event.webcasts.com refused to connect again

Answer:

Please see response to Question #10.

QUESTION #12

There should be questions and answers after each item to vote is introduced.

Answer:

Thank you for this suggestion. To provide for a more efficient meeting, we consolidated all questions into a single question and answer session. We are committed to working to continuing to enhance the meeting experience going forward, and will take this suggestion into consideration.

QUESTION #13

Each preliminary voting percentage should be announced during the meeting

Answer:

Thank you for this suggestion. Our preliminary voting results were announced to all participants before the close of the formal meeting. Final voting results for each of our director candidates and each of the other proposals presented at the 2017 Annual Meeting were publicly disclosed on a Form 8-K filed by PayPal with the Securities and Exchange Commission (“SEC”) on May 25, 2017. PayPal’s SEC filings, including the Form 8-K providing final voting results for the 2017 Annual Meeting, are available on PayPal’s Investor Relations website, accessible via <https://investor.paypal-corp.com/annuals-proxies.cfm>.

QUESTION #14

Meeting should not be adjourned until shareholders can evaluate management responses to questions.

Answer:

Thank you for this suggestion. We greatly value feedback from our stockholders. We are committed to working to continuing to enhance the meeting experience going forward, and will take this suggestion into consideration.

QUESTION #15

Live verbal questions should be allowed

Answer:

Thank you for this suggestion. We greatly value feedback from our stockholders. We are committed to working to continuing to enhance the meeting experience going forward, and will take this suggestion into consideration.

QUESTION #16

**Ask a Question should add
Or make a comment**

Answer:

Thank you for this suggestion. We greatly value feedback from our stockholders. We are committed to working to continuing to enhance the meeting experience going forward, and will take this suggestion into consideration.

Forward Looking Statements

These materials may contain forward-looking statements relating to, among other things, the future results of operations, financial condition, expectations and plans of PayPal Holdings, Inc. and its consolidated subsidiaries that reflect PayPal's current projections and forecasts. Forward-looking statements can be identified by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "plan," "project," "forecast" and other similar expressions. Forward-looking statements could include, but are not limited to, statements regarding projected future growth of PayPal's businesses. Forward-looking statements are based upon various estimates and assumptions, as well as information known to PayPal as of the date of these materials, and are inherently subject to numerous risks and uncertainties.

Our actual results could differ materially from those predicted or implied by forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: changes in political, business and economic conditions, including any regional general economic downturn or crisis and any conditions that affect payments or e-commerce growth; fluctuations in foreign currency exchange rates; the competitive, regulatory, payment card association-related and other risks specific to the PayPal, PayPal Credit, Braintree, Venmo, Xoom and Paydiant products, especially as PayPal continues to expand geographically and introduce new products and as new laws and regulations related to payments and financial services come into effect; the impact of PayPal's customer choice initiatives, including on its funding mix and transaction expense; PayPal's ability to successfully react to the increasing importance of mobile payments and mobile commerce; PayPal's ability to deal with the increasingly competitive environment for its businesses, including competition for consumers and merchants; the outcome of legal and regulatory proceedings and PayPal's need and ability to manage other regulatory, tax and litigation risks as its products and services are offered in more jurisdictions and applicable laws become more restrictive; changes to PayPal's capital allocation or management of operating cash; uncertainty surrounding the implementation and impact of the United Kingdom's formal notification of its intent to withdraw from the European Union; PayPal's need to manage an increasingly large enterprise with a broad range of businesses of varying degrees of maturity and in many different geographies; the effect of management changes and business initiatives; any changes PayPal may make to its product offerings; PayPal's ability to timely upgrade and develop its technology systems, infrastructure and customer service capabilities at reasonable cost; PayPal's ability to maintain the stability, security and performance of its Payment Platform while adding new products and features in a timely fashion; risks that planned acquisitions will not be completed on contemplated terms, or at all, and that any businesses PayPal may acquire will not perform in accordance with its expectations, including the possibility that the acquisition of TIO Networks may not close or, if it does,

that PayPal will not realize the expected benefits of the acquisition; and PayPal's ability to profitably integrate, manage and grow businesses that have been acquired or may be acquired in the future, including TIO Networks.

More information about factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ from those expressed or implied in forward-looking statements is included under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in PayPal's most recent annual report on Form 10-K and its subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting PayPal's Investor Relations website at <https://investor.paypal-corp.com> or the SEC's website at www.sec.gov. All information in these materials is as of May 24, 2017. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in these materials. PayPal assumes no obligation to update such forward-looking statements.