

PayPal Holdings, Inc.

Stockholder Questions and Answers for the 2021 Annual Stockholders' Meeting

Below is the list of questions we received in advance of and during our 2021 Annual Meeting of Stockholders held on May 26, 2021 (the "Annual Meeting"). In a few cases, we have consolidated multiple questions on the same topic together and provided a summary response, and also have made minor edits for clarity, corrected typos, removed inappropriate language and removed names of individuals.

PayPal's answers to these questions may contain forward-looking statements that are based on management's current expectations, forecasts and assumptions, and involve risks and uncertainties. PayPal's actual results could differ materially from those predicted or implied by forward-looking statements. 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", "Legal Proceedings" 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 or the SEC's website at www.sec.gov. You should not rely on any forward-looking statements. All information in this document is as May 26, 2021. PayPal does not undertake, and expressly disclaims, any obligation to update the information.

Questions Received and Posted to the PayPal Investor Relations Website Prior to the Annual Meeting:

Question: What time does the meeting start?

Company Response:

The Annual Meeting will begin promptly at 8:00 a.m. Pacific Time. The virtual meeting room will open at 7:45 a.m. Pacific Time for registration. Please see page 2 of our [Proxy Statement](#) for additional details on participating in PayPal's virtual Annual Meeting.

Question: What are proxy materials?

Company Response:

Please see Question 2 of the section entitled "Frequently Asked Questions" on page 76 of our [Proxy Statement](#) for information on our proxy materials. PayPal's proxy materials include the Notice of the Annual Meeting, our Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. If you received a paper copy of these materials by

mail, the proxy materials also include a proxy card, or a voting instruction form for the Annual Meeting. If you received a Notice of Internet Availability of Proxy Materials instead of a paper copy of the proxy materials, see the section entitled “Voting Information” on page 78 of our [Proxy Statement](#) for information regarding how you can vote your shares.

You may view our proxy materials at www.proxyvote.com. You will need your 16-digit control number on your Notice, proxy card or voting instruction form, as applicable, to access the materials.

Question: Why would the Board recommend voting against assessing inclusion in the workplace?

Related Questions:

- *Why not assess inclusion and diversity to ensure equity for all?*

Company Response:

PayPal’s statement in opposition to proposal 5 (Assessing Inclusion in the Workplace) can be found on pages 74–75 of our [Proxy Statement](#).

Additional Questions Received Prior to and During the Annual Meeting:

BOARD MATTERS

Question: How are diversity considerations integrated into the Board composition and nominating process?

Related Questions:

- *When can stockholders start seeing a more diversified advisory team on PayPal’s Board of Directors?*
- *Why does this Board only have four women and one person of color?*
- *Has the Board/PayPal been making a concerted effort to recruit women of color to the Board? What is your course of action?*
- *Why does your Board of Directors inclusion statistic of 45% include both women and diverse ethnic groups?*
- *Why not put an active educator on the Board?*
- *Why not include on the Board of Directors someone from South America, Africa, Europe or other countries or ethnicities?*

Company Response:

We believe a diverse Board that brings a broad range of perspectives, insight, expertise and skills is critically important for PayPal. Our ability to deliver on our mission of democratizing financial services starts from the inside, with a Board of Directors and a global team of

employees that reflect the communities where we work and live, and the diversity of the customers we serve.

Consistent with our commitment to inclusion and diversity at all levels of the Company, nearly one-half of our directors are women or from under-represented groups. We will continue to actively seek highly qualified women and individuals from underrepresented groups to include in the director candidate pool.

Question: Why are there so many directors? How long do they serve? Do they replace other former Directors? How much are they paid?

Company Response:

There are currently 11 directors appointed to our Board of Directors by our stockholders and each serves until our next Annual Meeting of Stockholders and until their successors are elected and qualified. One of the responsibilities of our Governance and Nominating Committee is to make recommendations to the Board from time to time as to changes that the Committee believes to be desirable to the size of the Board or any committee thereof. In addition, as part of the Board's annual self-evaluation process, directors consider the appropriateness of the current number of Board members.

Our Board is composed of highly accomplished individuals who have contributed a wide variety of relevant skills, backgrounds and experiences. Management and the Board believe that given diversity of perspectives, valuable insight and expertise and the relevant and complementary skills of our directors, the current number of directors is appropriate to oversee our business, our strategies and executive management. Please see the section entitled "Director Compensation" beginning on page 29 of our [Proxy Statement](#) for information on how our directors are compensated.

Question: What is the percentage of meetings attended for each member of the Board?

Company Response:

Our Board met eight times during 2020. All directors who served in 2020 attended at least 75% of all our Board meetings and meetings for the committees on which they served. Please see the section entitled "Board and Committee Meetings and Attendance" beginning on page 25 of our [Proxy Statement](#) for additional information.

BUSINESS/PRODUCTS

Question: Does PayPal have plans to add more financial services to the PayPal or Venmo apps like the ability to invest in single stocks?

Company Response:

We are in the process of developing additional financial services as part of our digital wallet. Our goal is to introduce even more functionality, including investment alternatives, that provide

a seamless PayPal experience across all of our financial services, which could include things like investment capabilities.

Question: Can you please explain your approach to partnerships within the financial ecosystem?

Company Response:

When we became an independent company, we shifted our strategy to focus on partnership and choice and opened our platform. We realized that our business goals are aligned with the banks and networks, and our shared customers benefit from us partnering to make the experience for shared customers better, easier, more secure and more valuable. Since then, we've partnered with more than 120 ecosystem partners, including more than 40 financial institution partners. This includes some of the largest banks and networks including JPMorgan Chase, Bank of America, Wells Fargo, Citi, PNC, US Bank, Capital One, Visa, Mastercard, American Express, Discover - and a growing list of other banks as well.

Our focus is on creating a platform that delivers great user experiences for our consumers and merchants. By partnering with others across the ecosystem, we're able to focus on what we do best, while also creating opportunities for our ecosystem partners. When we think about the expansion of our digital wallet and the financial services we plan to offer, we expect that a lot of these will be done in partnership with different financial institutions.

Question: Can we expect to see PayPal payment option in Amazon.com?

Company Response:

We are focused on making PayPal and Venmo available wherever our customers want to shop. PayPal and Venmo branded credit and debit cards are the current options for customers shopping on Amazon.com.

Question: What is PayPal doing to combat fraud?

Company Response:

Our customers trust us with their money and their personal information, and we take this responsibility very seriously and go to great lengths to prevent misuse of our services. Protecting merchants and consumers on our Payments Platform from financial and fraud loss is imperative to successfully competing and sustainably growing our business. When we become aware of potentially fraudulent activity on a PayPal account, we work diligently with law enforcement agencies to carefully review and ensure our services are used in line with our long-standing policy.

Question: What is your strategy for increasing the ubiquity of PayPal and Venmo as in person payment options?

Company Response:

QR codes have played a big part in our in-store payments strategy, and demand for our PayPal and Venmo QR codes remains strong. As of the first quarter of 2021, nearly one million merchants accepted our QR codes – with an additional merchant signing up every 28 seconds. We’re also making it easier for small businesses and casual sellers to accept Venmo payments through business profiles. We now have over 300,000 small business profiles currently established, including 200,000 in the first quarter of 2021. We plan to launch PayPal’s Zettle POS solution this summer, which will allow business owners to accept card, contactless and mobile payments, as well as organize inventory and analyze sales.

Question: Are we doing well in the stock market?

Related Questions:

- Why has the stock dropped from 300 levels to 250?

Company Response:

We do not comment on share price movements.

PayPal’s Board and management team are focused on creating long-term value for our stockholders, rather than achieving a specific stock price target. Our top priorities are executing across our strategic initiatives and enhancing the value proposition for the consumers and merchants on our platform.

Question: How will PayPal implement its digital wallet strategy?

Company Response:

PayPal’s digital wallet is an important element of our strategy looking forward, and will bring together previously-disparate capabilities that range from payments to shopping to financial services – and even new forms of digital identification. We expect that these capabilities will be linked by a common platform that shares data and machine learning, working together will be able to drive personalized recommendations to increase consumers’ transactions and maximize their financial health.

Question: What transactional data and personal identifiable information do you receive from your top partners, and how critical is it for Paypal to receive this data for personalization and the growth of PayPal?

Company Response:

With permission from customers, our financial institution partners can seamlessly pass their data to us to open and/or optimize PayPal accounts and immediately start transacting. This is data that the customers would usually key in manually and may include name, email address, billing address and phone number. We also combine device history data and other industry standard risk data, as well as share PayPal's risk score with key financial institution partners, to help ensure we deliver optimal conversion rates. Our deep partnerships help ensure that the data we share leads to better customer experiences that are compliant with applicable laws.

Question: When do you expect the Buy Now, Pay Later offering to contribute to earnings?

Company Response:

Since the launch of our Buy Now, Pay later offering in August 2020 through the first quarter of 2021, we have processed over \$1 billion in TPV in the U.S. alone. Early results have shown a significant 15% engagement lift in transactions and TPV. In addition, nearly 30,000 merchants have implemented our Buy Now, Pay Later capabilities upstream on their product pages with a corresponding lift in our overall share of checkout.

Question: How are you looking at foreign exchange and cross border payments?

Related Question:

- *Has the business extensively analyzed the potential revenue from partnering with a foreign exchange expert? There is revenue to be made by optimizing the FX rates used on existing cross border payments.*
- *What is PayPal's implementation strategy for peer-to-peer and borderless payment model?*

Company Response:

When we look at all of the opportunities that we have around the world, cross-border transactions continue to represent an important opportunity for us. As a global two-sided platform, cross-border transactions allow us to connect consumers to other people and merchants around the world, and we see a lot of potential opportunity in this area in an increasingly connected world.

Question: US tax, interest, and inflation rates appear to be set to rise during the coming 2 to 4 years. What is management's strategy to mitigate these risks to profitability?

Company Response:

We remain focused on executing across our strategic initiatives and enhancing the value proposition for the consumers and merchants on our platform – which should in turn drive revenue and earnings growth for our company. Tax rates, interest rates, and inflation may change over time, but we will continue to focus on the factors that are within our control and to execute on our initiatives. Within the medium-term outlook provided at our Investor Day in February 2021, while we did include an expectation that our tax rate may move higher over time, we also expressed our belief that we could still achieve strong compound annual earnings growth over the next 5 years. Interest rates may also move higher over time but given our strong balance sheet and net cash/short-term investment position, higher interest rates could potentially be a benefit to our earnings.

Question: What are the biggest headwinds facing the organization this year?

Company Response:

Today's environment, while more stable than a year ago, continues to be very dynamic and more challenging to predict than in normal times. The recovery has not been even for everyone. And certain parts of the world are still battling higher COVID-19 infection rates. In many of our markets, we are seeing economies reopen as more people are getting vaccinated. Even in these markets, we continue to see elevated e-commerce activity. But in this type of environment, predicting consumer behavior in the near term is challenging. That said, we remain very confident in the trajectory of our business, the continuing growth in e-commerce penetration over time, the growing ubiquity of digital payment experiences across all channels, and our ability to better serve consumers and merchants around the world.

CENSOR SPEECH

Question: What is PayPal's position on allowing your services to be used for activities that promote hate, violence or racial intolerance?

Company Response:

PayPal's policy is not to allow our services to be used for activities that promote hate, violence or racial intolerance. We base our reviews of accounts on these parameters, taking action when we deem that individuals or organizations have violated this policy. Achieving the balance between protecting the ideals of tolerance, diversity and respect for people of all backgrounds and upholding the values of free expression and open dialogue can be difficult, but we do our best to achieve it. We regularly assess activity against our Acceptable Use Policy and carefully review actions reported to us, and will discontinue our relationship with account holders who are found to violate our policies. We work hard to achieve the right balance and to ensure that our decisions are values-driven and not political.

INTERNATIONAL OPERATIONS

Question: Why did PayPal stop offering its services in India?

Company Response:

In 2020, we made the decision to temporarily pause product development for our domestic India business as a result of near-term prioritization efforts directly related to COVID-19. PayPal continues to maintain a strong presence in India, including a thriving cross-border business, and our operations centers from which we serve our international customers and product development needs. Our decision does not affect the availability of PayPal services already offered to our customers in India.

Question: Does doing business in China compromise PayPal's values?

Company Response:

We are a mission-driven company. We believe that connecting China's vast ecosystem with the strength of PayPal's network of consumers and merchants outside of China will improve the financial health for people in all parts of the world. It is only through operating in diverse, global markets with differing political landscapes that we can fulfill our mission. By engaging in China and other major global economies, we can offer a payments platform that connects hundreds of millions of people; provides access to secure and affordable financial services; and creates economic opportunity for people, families and businesses worldwide.

CRYPTOCURRENCY

Question: Cryptocurrencies really seem to be a way of the future. How do you see the future for payment systems evolving?

Company Response:

We believe the current technological underpinnings of our financial system will be substantially upgraded over the coming years. Both cryptocurrencies and central bank-issued digital currencies can play a critical role in shaping a more inclusive recovery and a more equitable financial system. Our leadership in all forms of digital currency has been widely embraced, enabling numerous positive conversations with central banks, regulators, and government officials around the world. We believe that PayPal can be a large part of helping to shape that future financial system.

Question: Why are cryptocurrency purchases limited (per individual) to \$50,000 USD per Annum?

Company Response:

PayPal's crypto purchase limits are in line with regulatory guidance. We frequently review our products and services and will look to make additional changes as the needs of our customers change.

Question: Why does PayPal advertising (specifically, e-mail) to existing customers encourage them to purchase cryptocurrencies such as Bitcoin, without those customers being known to PayPal as having the knowledge and sophistication to understand and deal with the vagaries and volatility of such purchases?

Company Response:

As a champion for increased utility of digital currencies, we believe it would be beneficial to the overall space if digital currencies become less volatile. Our goal is to build new sources of value for our customers to increase the utility of cryptocurrency by moving cryptocurrency from a commodity to a true commerce tool – not to profit from volatility.

We know that a sharp drop in the value of crypto could result in customers losing money, and it's important that consumers educate themselves on these unique aspects of the crypto market and ensure they understand the associated risks and downsides. For that reason, we provide educational materials in our user experience to help our customers better understand the risks involved with cryptocurrencies. We actively encourage consumers to educate themselves on the unique aspects of the crypto market and ensure they understand the associated risks and potential downsides.

Consumers can determine if it is right for them after they have read up and educated themselves on the cryptocurrencies they're interested in purchasing, including how likely they may be to lose money.

Question: It has been very hard for me to figure out how PayPal treats cryptocurrencies in their operations. Are efforts being undertaken to make that clearer to the stockholders and if so, how can we find out about it?

Company Response:

When we launched the ability to buy, hold and sell cryptocurrency last fall, we shared information about how the new cryptocurrency services would impact PayPal's operating and financial metrics through our Investor Relations website. Below is a summary of the impacts of our cryptocurrency services on operating and financial metrics:

- **Active accounts:** PayPal considers customers using PayPal's crypto services as part of our active account metrics, but we do not break out as separate active accounts.
- **Transactions:** Transactions relating to buying, holding or selling of crypto are not included within our number of payment transactions metric. Purchases funded with cryptocurrency count as payment transactions.
- **Total Payment Volume (TPV):** No TPV is recognized from the buy, hold, sell crypto use case. PayPal will not break out cryptocurrency purchase volume separately from overall TPV. Purchases funded with cryptocurrency count as TPV.
- **Revenue:** PayPal recognizes revenue from the spread between the cost of the cryptocurrency to PayPal and the price charged to the consumer for the cryptocurrency, plus any transaction fee charged on the transaction as revenue. This is recognized on a net basis within transaction revenue.

Question: When will PayPal introduce cryptocurrencies in Europe?

Company Response:

This year, increasing access to crypto and digital currencies to more customers around the world is a top priority for PayPal. We plan to expand our buy, sell and hold cryptocurrency offering geographically to the U.K. in the next several months.

Question: How are you preparing for a world with increasing cryptocurrency usage?

Related Question:

- *What are your future plans regarding Bitcoin? Do these plans include Coinbase?*

Company Response:

Our crypto services are helping us broaden the range of financial services offered through the PayPal and Venmo apps, supporting the transformation of our apps to being 'destination apps for financial services', increasing their functionality and relevance, and moving far beyond online checkout and P2P payments.

But more importantly, our crypto services are positioning us to help shape the role of cryptocurrencies and central bank digital currencies in consumer payments. We expect digital currencies to play an important role in consumer payments over the longer term, and we are focused on helping to shape how these technologies are adopted and integrated into existing systems.

Question: Do you plan to offer interoperability with other cryptocurrency wallets?

Related Questions:

- *Does PayPal plan to offer the ability to buy, sell and hold additional cryptocurrencies?*
- *How will the regulation of cryptocurrencies impact PayPal's business?*

Company Response:

The cryptocurrencies offered on PayPal and Venmo were selected based on customer preference. We frequently review our products and services and make additional changes as the needs of our customers change. Consistent with our journey thus far, we will continue to listen to the needs of our customers in driving the evolution of our products. This includes exploration of potentially supporting third-party wallet crypto transfers in the future. As with any product change, we will coordinate and work with our regulators to ensure responsible innovation in serving the crypto community.

Question: How do you report revenues from your cryptocurrency offerings?

Company Response:

PayPal's transaction revenue from our cryptocurrency buy, hold and sell product is recognized as part of our overall transaction revenue. We do not include transactions related to our cryptocurrency buy, hold and sell services in our Total Payment Volume.

Question: Will crypto volatility impact how well PayPal performs?

Related Question:

- *If Bitcoin collapses, will PayPal continue to allow payment transactions using this proposed currency?*
- *What is exposure to extreme change of digital currency other than loss of fees, like rapid changes in value or total drop to \$0 value?*

Company Response:

As a champion for increased utility of digital currencies, we would certainly prefer that digital currencies become less volatile. Our goal is to build new sources of value for our customers to increase the utility of cryptocurrency by moving cryptocurrency from a commodity to a true commerce tool – not to profit from volatility. PayPal itself is not exposed to price volatility of crypto assets as we do not keep crypto on our balance sheet, and our users' holdings are held in custody via our partner Paxos as cryptocurrency, not as a fiat equivalent.

We all know that a sharp drop in the value of crypto could result in customers losing money. For that reason, we provide educational materials in our user experience to help our

customers better understand the risks involved with cryptocurrencies. We actively encourage consumers to educate themselves on the unique aspects of the crypto market and ensure they understand the associated risks and potential downsides.

Question: Blockchain software for payment system companies will be essential going forward. To what degree will Paypal be involved? Developing blockchain software as an income source or just for internal development purposes only?

Company Response:

Distributed ledger technologies (DLTs) like blockchain hold potential in areas of identity, privacy and trust in the payments space. While we partner with Paxos as our custody provider for our crypto services, we have invested significant resources in organic growth of our blockchain, crypto and digital currencies business unit as we explore how DLTs can make financial services faster, more secure and less expensive. PayPal will continue exploring the potential of DLTs, working hand-in-hand with regulators, governments and central banks in this quest.

Question: What are your plans to create your own token?

PayPal continues to explore the potential of digital currencies, digital financial services infrastructure, and how we can help enhance digital commerce as a trusted partner in the space.

As a global company working with regulators and industry partners throughout the world to shape the next generation of financial systems, the company is in frequent conversation about technologies that enable these goals.

CUSTOMER SERVICE/ACCEPTABLE USE POLICY

Question: What is going to be your customer service improvement plan going forward? Do you have plans to make it easier for the customers to reach customer service when live assistance is needed?

Company Response:

Due to the COVID-19 pandemic, in early 2020 PayPal Customer Service had to pivot from mainly offering live phone support to offering live chat/messaging for a period of time. This led to longer hold times as we worked to shift our employees to remote working. As of the end of 2020, PayPal customers have the choice to contact PayPal Customer Service via phone, messaging or social media. PayPal has invested in hiring and we've welcomed more than 1,000 new employees to our customer support team over the last eight months. We continue to monitor hold times and will continue to add additional staff and adjust schedules of our staff as necessary to assist our customers.

Question: What is PayPal doing to improve customer security?

Company Response:

At PayPal, we prioritize cybersecurity first and foremost in our technological systems. We strive to deliver security, scalability, stability, speed, and subsidy, in that order. Security always comes first. We operate PayPal with the belief in zero trust security. We build our systems to expect hostile environments and assume that the worst can occur any second.

Security and trust are areas of high investment and innovation at PayPal—and on behalf of our customers and employees—we strive to make sure that everyone is protected, safe, and secure at all times.

Question: What is PayPal doing about the radical far right groups that have been identified as domestic terrorists? Have their accounts been frozen/terminated? What is the course of action PayPal intends to pursue?

Company Response:

PayPal has a long-standing history of working to proactively prevent illicit activities from occurring on our platform. We regularly assess activity against our Acceptable Use Policy and carefully review actions reported to us, and will discontinue our relationship with account holders who are found to violate our policies.

Question: Will PayPal reverse their Acceptable Use Policy to allow users to purchase firearms?

Company Response:

PayPal's long-standing policy is not to permit our services to be used for transactions involving ammunition and firearms.

DIVIDEND

Question: At what point or date will the company pay a dividend?

Company Response:

We feel good about the financial flexibility that we have to pursue any number of strategies in the current environment. Right now, we remain very focused on investing in growth – which we believe is good for long-term value creation. On a regular basis, we evaluate our capital allocation plans and priorities, including the introduction of a dividend. If our cash balance continues to build a few years from now, we may reevaluate our plans and priorities regarding

capital return, including a dividend. It's not something that is currently in our plans, but we have discussed it internally and it may be something we consider implementing in the future.

EMPLOYEE MATTERS

Question: What are your practices around hiring and promoting people of color at all levels, including key positions?

Company Response:

We understand the fundamental importance of ensuring that we attract, recruit and develop top talent and are committed to having a diverse workforce in order to create innovative products and services for our customers. This is an ongoing long-term commitment and is a priority at every level of our business – from entry level to our Board of Directors. We have a hiring policy that requires us to consider diverse candidates for all open positions. As part of our continuing focus on developing and hiring underrepresented talent, we have entered into multi-year agreements with groups like CodeHouse, INROADS and the National Association of Black Accountants. As to advancement, we have an inclusive promotion process which ensures we are considering our entire talent pool for promotion and mobility opportunities. Our deliberate and intentional focus on our end-to-end life-cycle ensures all of our employees have equitable opportunities for growth and development. We have also launched PayPal's DIE&B (Diversity, Equity, Inclusion and Belonging) Roundtable that brings together cross-functional leaders to align on priorities and further embed DIE&B principles in every facet of the business.

Question: How can you justify staff reductions during a pandemic?

Company Response:

Since the onset of the pandemic, our top priority has been the health and well-being of our employees. We pledged to continue paying employees who were unable to work due to COVID-19 and introduced new benefits and resources. In the last year, we also significantly improved our employees' estimated net disposable income (discretionary income remaining after taxes and typical living expenses are paid) – making real progress towards reaching our target of at least 20% for all employees. We also kicked off a new coalition with JUST Capital to encourage other business leaders to make the financial wellness of their employees a strategic priority. Unfortunately, sometimes we are forced to reduce our staff in response to changing market dynamics. We do our best to manage the business in a way that avoids layoffs whenever possible.

Question: Why do you outsource certain job functions to third parties?

Company Response:

PayPal relies on third parties in many aspects of our business to provide services and capabilities that we are unable to support in-house. We rely on third parties for certain aspects of transaction processing, to originate our credit and debit card products, as cryptocurrency custodial service providers and to provide key functions such as customer support.

ESG

Question: I applaud PayPal for setting a Science-Based Target through 2025. Will the company consider setting a longer-term GHG reduction target? What other climate actions will PayPal take to align its business with the Paris Agreement?

Company Response:

We recognize the opportunity to further our financial health mission by establishing long-term, science-based commitments and helping to enable the most vulnerable adapt to a warming planet and capture income opportunities in the climate transition. In April 2021, we announced our long-term goal of achieving net-zero greenhouse gas emissions across our value chain by 2040, along with our 2025 science-based targets. We also continue to make progress on our goal to reach 100% renewable energy for our data centers by 2023 and in 2020, matched 98% of our data center energy with renewable generation. In addition to these commitments, in our [2020 Global Impact Report](#), we highlighted recent efforts to support climate innovation, invest in climate justice and resilience, mobilize employee environmental stewardship, and lead others through partnership and advocacy.

EXECUTIVE COMPENSATION

Question: Does the CEO reimburse the company for his personal travel when using the company plane?

Company Response:

We maintain a comprehensive security policy, and as a component of this policy, we may determine that in certain circumstances, certain executives should be required to have personal security protection. Because of the high visibility of the Company, the Compensation Committee authorized a CEO Security Program to address safety concerns, including specific threats to Mr. Schulman's safety arising directly as a result of his position as our President and CEO. We require Mr. Schulman to accept such security protection because we believe it is in the best interests of the Company and its stockholders that our CEO not be vulnerable to security threats to himself or members of his family. The Compensation Committee approved Mr. Schulman's use of our corporate aircraft for personal travel in connection with his overall security program. Although we do not consider Mr. Schulman's overall security program to be

a perquisite, the costs related to his personal travel pursuant to his overall security program are reported in the “All Other Compensation” column of the Summary Compensation Table in our [Proxy Statement](#) in accordance with SEC rules.

Question: What is your philosophy on executive compensation?

Company Response:

PayPal’s executive compensation program is based on our “pay for performance” philosophy that is designed to align our executive officers’ compensation with the key drivers of profitable growth. The ultimate goals of our executive compensation program are to properly incentivize and reward our executives for performance that exceeds expectations, provide transparency for our executives and our stockholders and position PayPal competitively to enable us to attract and retain highly capable leaders in an extremely competitive talent market.

Question: Has the COVID-19 pandemic caused any short-term adjustment to 2020 or 2021 executive compensation?

Company Response:

No, we did not make any adjustments to executive compensation due to the COVID-19 pandemic. Digital payments have become more essential than ever, as reflected in our strong financial and operational accomplishments in 2020.

Question: Why do we give shares to executives and directors?

Company Response:

PayPal’s stock compensation program is designed to align executives’ and directors’ performance with stockholder interests and reward the creation of long-term shareholder value. The program is also intended to satisfy long-term retention objectives. Our compensation program includes awards of Performance-Based Restricted Stock Units (PBRsUs) and Restricted Stock Units (RSUs).

POLITICS/VOTING LAWS

Question: How do you decide which issues to speak about and do you believe that companies have a role in social issues?

Company Response:

PayPal has always been driven by its mission, vision and values. We are committed to living our values, and we stand up for our values and speak up on issues that have an impact on our employees, customers and communities we serve. We believe that companies have a role to play in addressing societal issues, and that we can make a difference by partnering across the

private and public sector. Despite the efforts and advancements led by many brave leaders and communities, there is still much more work to be done and it will require a constant commitment and effort to actively contribute to building a more equitable and just society.

Question: What is your position on the various voting rights laws being introduced around the country?

Company Response:

The equal right to vote is a non-partisan, fundamental right that is essential to our democracy. PayPal is proud to join with hundreds of companies, institutions and leaders in supporting and protecting the right to vote and opposing measures that prevent Americans from having an equal and fair opportunity to cast their ballots. Everyone who is eligible to vote should be able to do so without experiencing discriminatory barriers in our democratic process.

Question: Where does the company publish contributions to political parties and candidates?

Company Response:

PayPal's [Government Relations website](#) provides transparent disclosures on our lobbying and political activity, including details on our annual political contributions and expenditures through our federal political action committee (PAC), state and local political contributions, trade association memberships and federal lobbying information. All candidates, campaigns or federally registered committees that receive a contribution from the PayPal PAC go through an evaluation process to ensure that the donation aligns with PayPal's values and public policy priorities and meets our giving criteria. Our Political Engagement and Transparency Policy outlines clear standards for all donations. In anticipation of 2020 being an especially challenging election cycle, PayPal ceased all contributions to individual candidates in February 2020.

PROPOSALS

Question: When will stockholders be informed of the specific vote outcomes of the votes? Please include percentages.

Company Response:

Voting results were filed with the SEC on a Form 8-K on May 28, 2021.

Question: If a Stockholder Proposal is voted in favor, is it legally binding? If it goes against the Board's recommendation, will the Board uphold the Stockholders' decision?

Company Response:

Proposals that are included in our proxy statement pursuant to SEC Rule 14a-8, such as the stockholder proposals voted on at the 2021 annual meeting are typically non-binding, as is the case with the stockholder proposals voted on this year. The Board reviews the voting results on both management and stockholder proposals, and determines appropriate actions to take in response to the votes, which may include further engagement with our stockholders on the applicable topics.

WORK FROM HOME

Question: What is PayPal's stance on permanent work from home policies?

Company Response:

We are constantly evaluating and monitoring the latest public health guidance as we continue preparing our offices for the eventual safe return of our employees; however, at this time, we don't have anything definitive to share about future remote work policies.