SUMMARY PLAN DESCRIPTION

PayPal

401(k) Savings Plan

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, Financial Planner or Investment Manager.

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Introduction

Type of Plan

Effective July 18, 2015, PayPal Holdings, Inc. established a 401(k) plan. The plan is named the PayPal 401(k) Savings Plan, but it will be referred to in this summary as the *Plan*. The Plan was adopted in connection with a distribution of shares of the common stock of PayPal Holdings, Inc. to the stockholders of eBay Inc. pursuant to the Separation and Distribution Agreement between PayPal Holdings, Inc. and eBay Inc., dated June 26, 2015. The Plan contains a cash or deferred arrangement, and once you're eligible to participate, you can contribute to the Plan on a tax deferred basis by payroll deductions.

Plan Sponsor

PayPal Holdings, Inc. is the sponsor of the Plan, and will sometimes be referred to in this summary as the "Sponsoring Employer," "we," "us" or "our". Our address is 2211 North First Street, San Jose, California 95131; our telephone number is (855) 489-0343; and our employer identification number is47-2989869.

Purpose of This Summary

This booklet is called a Summary Plan Description (the "SPD") and it is meant to describe highlights of the Plan in understandable language. It is not, however, meant to be a complete description of the Plan, nor is it meant to interpret, extend or change the provisions of the Plan in any way. If there is a conflict between this SPD and the Plan, the provisions of the Plan control your right to benefits. A copy of the Plan and related documents are on file with the Plan Administrator and you can read them at any reasonable time. Also, no provision of the Plan or this SPD is intended to give you the right to continued employment or to prohibit changes in the terms or conditions of your employment. Any capitalized terms used but not defined herein have the meaning ascribed to them in the Plan. If you have any questions that are not addressed in this SPD, you can contact the Plan Administrator (who is described in the next section) during normal business hours.

Who to Contact for Account Questions[1]

Schwab Retirement Plan Services, Inc. is the plan recordkeeper. Participant Services Representatives are available at (**800) 724-7526** Monday through Friday, 7:00 a.m. – 11:00 p.m. ET if you have questions about your account or want to know more about saving.

Account Access

You can check balances, request investment information, choose investments, change how much you save, request a loan, and more at **(800) 724-7526** or www.workplace.schwab.com.

Plan Administration

Plan Trustee[2]

The Plan is administered under a written plan and trust agreement, with Charles Schwab Bank as the trustee. The trustee can be contacted at 211 Main Street, 6th Floor, San Francisco, CA 94105.

Plan Administrator

All matters that concern the operation of the Plan are the responsibility of the Administrator. The Administrator is the 401(k) Committee, whose address is 2211 North First Street, San Jose, California 95131, and whose telephone number is (855) 489-0343. The Administrator has the power and discretionary authority to interpret the terms of the Plan based on the Plan document and existing laws and regulations, as well as the power to determine all questions that arise under the Plan. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an Employee's eligibility for benefits, credited service, Disability, and retirement, or to interpret any other term contained in the Plan and related documents. The Plan Administrator's

[1] Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans and has provided this communication to you as part of the recordkeeping services it provides to the Plan.

[2] Trust, custody, and deposit products and services are available through Charles Schwab Bank.

interpretations and determinations are binding on all Participants, employees, former employees, and their beneficiaries.

Plan Number
For identification purposes, we have assigned number 001 to the Plan.

Plan Year
The Plan Year is the 12-month accounting year of the Plan, and it begins each January 1st and ends the following December 31st.

Service of Legal Process
If you have to bring legal action against the Plan for any reason, legal process can be served on the PayPal 401(k) Savings Plan at 2211 North First Street, San Jose, California 95131. You must exhaust the Plan's claims procedure (see the Section titled *Claims Procedure)* before you can bring legal action against the Plan.

Service Crediting

Your Service refers to the portion of your employment with us or with an Adopting Employer that is used to determine whether you are entitled to a contribution allocation for an Allocation Period, as described in more detail below.

Hour of Service
You are credited with an Hour of Service for each hour that you have a right to be paid by us for the performance of your duties. This includes the actual number of hours that you work and hours for which you are paid but are not at work, such as paid vacation, paid holidays, or paid sick leave.

Period of Service
A Period of Service, in general, is a period of time that begins on your date of hire and ends on the date you terminate employment or incur a Break in Eligibility Service or a Break in Vesting Service. The rules for determining your Period of Service are more complex than the explanation described in this section, including the rules that apply if you terminate employment and are then rehired. For more information, you can check with the Administrator.

401(k) Contributions

How the Contribution Is Determined
Once you become a Participant, you can begin making 401(k) Contributions. 401(k) Contributions are amounts that you elect to contribute to the Plan through payroll withholding, and they are made either (a) on a pre-tax basis (that is, they are deducted from your Compensation free of current income taxes but are fully taxable when they are subsequently distributed from the Plan), or (b) on an after-tax basis (that is, as Roth 401(k) Contributions, which are deducted from your Compensation on an after-tax basis but may be distributed on a tax-free basis if certain requirements are met). You can designate up to 100% of your 401(k) Contributions as Roth 401(k) Contributions. 401(k) Contributions are allocated to your deferral accounts.

If you have not attained age 50, your 401(k) Contributions for any calendar year can't exceed the lesser of 50% of your Compensation or the dollar limit on 401(k) Contributions (which is announced annually by the IRS and is currently $18,000). For any calendar year in which you have attained (or will attain) at least age 50 by the end of that year, your 401(k) Contributions for the calendar year can't exceed the lesser of 75% of your Compensation or $24,000 (or such higher limit as announced annually by the IRS). The amount of your 401(k) Contributions may be subject to other limitations imposed under the Internal Revenue Code.

How You Become a Participant
To become a Participant in this part of the Plan, you must satisfy the following criteria (described in more detail below): (a) you must be an Eligible Employee; (b) you must satisfy the age requirement; and (c) you must be employed by us on the applicable entry date.

- **Eligible Employees.** All employees are Eligible Employees for this part of the Plan except (a) Union Employees; (b) Non-Resident Alien Employees; (c) Leased Employees; and (d) interns.

- **Age Requirement.** You must be at least 18 years of age.

- **Entry Date.** You will enter this part of the Plan as a Participant on the same date that you first satisfy the eligibility requirements.

In addition, in connection with the distribution of shares of the common stock of PayPal Holdings, Inc. to the stockholders of eBay Inc., the accounts of all employees of PayPal, Inc. and its subsidiaries will be transferred to the Plan from the eBay Inc. 401(k) Savings Plan.

Salary Deferral Agreements

You must file a Salary Deferral Agreement with the Administrator before you can begin making 401(k) Contributions to the Plan. Your Salary Deferral Agreement is where you indicate the amount that you want us to withhold from your Compensation and contribute to the Plan on your behalf. This is also where you indicate if you want all or any part of the amount withheld to be treated as a Roth 401(k) Contribution. You can elect to contribute either a percentage of your Compensation.

After your initial election, you can change your Salary Deferral Agreement by filing a new agreement with the Administrator at any time.

You can also cancel your Salary Deferral agreement at any time by giving notice to the Administrator. Your cancellation will be implemented as soon as administratively possible after your notice is received. If you do cancel your agreement, you may file a new Salary Deferral Agreement at any time.

The Administrator from time to time may establish additional administrative procedures (or change existing procedures) concerning deferral elections, in which case you will be appropriately notified. The Administrator can also temporarily suspend your deferral agreement if you reach the maximum deferral amount that is permitted by law or by the Plan, or if the Administrator believes the Plan may fail certain required non-discrimination tests. You will be notified if your deferral agreement is temporarily suspended.

Roth 401(k) Contributions

There are two different types of 401(k) contributions permitted under the Plan – pre-tax 401(k) Contributions and Roth 401(k) Contributions. You may make either or both types of 401(k) Contributions during a year, provided the total amount of your combined pre-tax 401(k) contributions and Roth 401(k) Contributions does not exceed any plan imposed limitation (e.g., a specified percentage of compensation) or the IRS maximum deferral limit for that year.

Generally, pre-tax 401(k) Contributions are deducted from your paycheck each pay period before Federal and most state income taxes have been calculated. That means pre-tax 401(k) Contributions lower your current taxable income. You do not pay taxes on pre-tax 401(k) Contributions until you receive them as a distribution when you retire or terminate employment.

In contrast, Roth 401(k) Contributions are deducted from your paycheck after income taxes have been calculated. However, you will not pay additional taxes on Roth 401(k) Contributions, or the investment earnings on Roth 401(k) Contributions, when they are distributed from the Plan provided that you meet certain criteria (see Tax Withholding on Distributions).

Unless specifically stated otherwise, Roth 401(k) Contributions are treated just like pre-tax 401(k) Contributions for all plan purposes. As such, any reference in this Summary Plan Description to “401(k) contributions” or “elective deferrals” shall mean both your pre-tax 401(k) Contributions and Roth 401(k) Contributions.

How Your Compensation Is Determined
In general, you can make 401(k) Contributions from all of the compensation that is paid or made available to you during the Plan Year, excluding any compensation received (a) as Fringe Benefit Payments; (b) while you are a member of an ineligible class of Employees with respect to this part of the Plan; (c) prior to the date you become a Participant with respect to this part of the Plan; (d) as Differential Wage Payments; (e) taxable portion of premiums for Group Term Life; (f) amounts received from the sale or disposition of qualified stock options; (g) severance pay; (h) tuition reimbursement; and (i) adoption assistance.

How Your Vested Interest Is Determined
Your Vested Interest in your 401(k) Contribution Account is 100% at all times.

Safe Harbor Contributions

How the Contribution Is Determined
In order to satisfy certain testing requirements, we will make a Safe Harbor Matching Contribution to the Plan for each eligible Participant equal to 100% of the Participant's 401(k) Contributions that do not exceed 4% of Compensation for the Allocation Period.

How You Become a Participant
To become a Participant in this part of the Plan, you must satisfy the following criteria (described in more detail below): (a) you must be an Eligible Employee; (b) you must satisfy the age requirement; and (c) you must be employed by us on the applicable entry date.

- **Eligible Employees.** All employees are Eligible Employees for this part of the Plan except (a) Union Employees; (b) Non-Resident Alien Employees; (c) Leased Employees; and (d) Interns.

- **Age Requirement.** You must be at least 18 years of age.

- **Entry Date.** You will enter this part of the Plan as a Participant on the same date that you first satisfy the eligibility requirements.

How You Qualify For a Contribution
Once you become a Participant in this part of the Plan, you will be eligible to receive a Safe Harbor Matching Contribution for any Plan Year for which we elect to make the contribution provided you are also eligible to make 401(k) Contributions to the Plan at any time during that Plan Year. Safe Harbor Matching Contributions are allocated to your Safe Harbor Matching Contribution Account.

How Your Compensation Is Determined
In general, the amount of any Safe Harbor Matching Contributions made on your behalf is based on all of the compensation that is paid or made available to you during the Allocation Period, all of the compensation that is paid or made available to you during the Plan Year, excluding any compensation received (a) as Fringe Benefit Payments; (b) while you are a member of an ineligible class of Employees with respect to this part of the Plan; (c) prior to the date you become a Participant with respect to this part of the Plan; (d) as Differential Wage Payments; (e) taxable portion of premiums for Group Term Life; (f) amounts received from the sale or disposition of qualified stock options; (g) severance pay; (h) tuition reimbursement; and (i) adoption assistance. However, no contributions will be made with respect to Compensation in excess of the annual dollar limit on Compensation, which is announced annually by the IRS and is currently $265,000.

How Your Vested Interest Is Determined
Your Vested Interest in your Safe Harbor Matching Contribution Account is 100% at all times.

Additionally, all frozen Non-Safe Harbor Matching Contributions maintained in the Plan are 100% Vested at all times.

Top Heavy Requirements

Under certain circumstances, you may be entitled to a minimum allocation for any Plan Year in which the Plan is considered "top heavy." The Plan is considered top heavy for any Plan Year in which more than 60% of Plan assets are allocated to the Accounts of Participants who are Key Employees. However, the Plan automatically satisfies this requirement in any Plan Year for which we make a contribution on your behalf to any other qualified retirement plan that we sponsor. If the Plan is not exempt, then for each Plan Year in which the Plan is considered top heavy and in which you are a non-Key Employee who is employed by us on the last day of the Plan Year, you will receive a minimum allocation equal to the lesser of 3% of your Compensation or the highest percentage of Compensation allocated for that Plan Year to the Accounts of Participants who are Key Employees.

Maximum Allocation Limitations

The amount of contributions and forfeitures that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or an annual dollar limit (which is announced annually by the IRS and is currently $53,000). However, this dollar limit does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan.

Rollover Contributions

If you participated in another retirement plan, you may be permitted to roll over any distribution you receive from the other plan to this Plan if all legal requirements (and any requirements imposed by the Administrator) on such rollovers are satisfied. If you do decide to make a rollover contribution and it is accepted by the Administrator, it will be kept in your Rollover Account. Your Vested Interest in your Rollover Account will be 100% at all times.

Specifically, if you are an eligible employee, you may roll over amounts from the following retirement plans:

(1) qualified plans, excluding after-tax contributions;
(2) 403(a) and 403(b) annuity plans, excluding after-tax contributions;
(3) governmental plans (Code Sec. 457 plans);
(4) Individual Retirement Accounts (IRAs) and individual retirement annuities; and
(5) Roth Contributions made to any plan described above other than IRAs.

Distribution of Benefits

Distributions for Reasons Other Than Death

If your employment is terminated for any reason other than death, your Vested Interest will be distributed within an administratively feasible time after you request payment. Your Vested Interest will be distributed in a lump sum which can be paid to you or, at your election, can be rolled over to another qualified retirement plan or to an individual retirement account. Additionally, if your Account contains both Roth and non-Roth Account balances, the Roth and non-Roth Accounts may be distributed separately, at different times.

In addition to the payments described above, there are rules which require that certain minimum distributions be made from the Plan. Generally, these minimum distributions must begin no later than (a) the April 1st following the end of the calendar year in which you reach age 70½ or (b) the April 1st following the end of the calendar year in which you retire. However, if you are a 5% owner, you must begin receiving these distributions by the April 1st following the end of the calendar year in which you reach age 70½ even if you are still employed by the Employer.

Distributions Upon Death
Your Vested Interest will be distributed to your beneficiary as soon as administratively feasible after your death. If you are not married, you can name anyone to be your beneficiary. If you are married, your spouse by law is your beneficiary unless he or she waives the death benefit in writing. Your beneficiary can elect to receive (a) a lump sum; or (b) substantially equal installment payments over a specified period of time (although there are limits on how long installment payments can be made, which will be explained to your beneficiary at the appropriate time).

If you fail to designate a beneficiary, or if the beneficiary is not alive at the time of your death, the death benefit will be paid in the following order of priority to:

1) your spouse;
2) your children and any descendants of deceased children (i.e., "per stirpes"); and
3) your estate.

If you designate your spouse as beneficiary and later become divorced, the designation of your spouse as beneficiary will no longer be valid. Under these circumstances, you should submit a new beneficiary designation.

If your death occurs *before* the date minimum distributions must begin (as described in the preceding section), the distribution to your beneficiary must be made within certain legal timeframes that are dependent upon several factors, including (a) whether you have a designated beneficiary, (b) your relationship to the beneficiary (spousal or non-spousal beneficiary), and (c) certain elections that your beneficiary may make after your death. However, if your death occurs *after* the date that minimum distributions must begin, the minimum death benefit that must be paid to your beneficiary each year after your death is based on the longer of your remaining life expectancy (had you survived) or the remaining life expectancy of your beneficiary. Your beneficiary may also choose to accelerate the payment rate. Contact the Administrator for more information regarding payments to beneficiaries.

Any death benefit received by your spouse can be rolled over to an IRA. A non-spouse beneficiary may establish a special IRA (an "Inherited IRA") that can receive a direct rollover of all (except for any required minimum distributions) or a portion of the death benefit distributed upon your death to that non-spouse beneficiary.

Certain portions of a death benefit may not be eligible to be rolled over into an Inherited IRA. If you (a deceased Participant) needed to take a required minimum distribution in the year of your death (but you have not yet taken that required minimum distribution), then that required minimum distribution cannot be rolled over from the Plan into an Inherited IRA. Similarly, if the non-spouse beneficiary needs to take any required minimum distribution from the Plan for the year in which the direct rollover occurs (or any prior year), then the non-spouse beneficiary cannot roll over that required minimum distribution into an Inherited IRA.

If the non-spouse beneficiary elects to roll over the death benefit to an Inherited IRA, then the inherited IRA will be subject to complicated required minimum distribution rules. You should inform your non-spouse beneficiary that (a) he or she is designated to receive your death benefit, and (b) your death benefit can be rolled over to an Inherited IRA. The non-spouse beneficiary should discuss any planning issues and tax consequences with their professional tax advisor with respect to a direct rollover of your death benefit into an Inherited IRA.

Cash-Outs of Small Accounts
If your employment is terminated for any reason and your Vested Interest is $5,000 or less (including your Rollover Account balance), it will, at your election, be distributed in a lump sum or be rolled over to another qualified retirement plan or to an individual retirement account (IRA) of your choosing. However, if you do not make an election, then the distribution (a) will be made in a lump sum if your Vested Interest is $1,000 or less; or (b) if your Vested Interest is more than $1,000, will be rolled over to an individual retirement account (IRA) that we establish for you at Charles Schwab Bank ("IRA provider"). The IRA provider will charge your IRA for any expenses associated with the establishment and maintenance of the IRA and with the investments of the IRA. You will be given more information at the time of distribution regarding the IRA provider and any associated fees or expenses.

In-Service Distributions
As long as you are still our employee, you can elect at any time to take a lump sum distribution of up to 100% of the following accounts:

- **Safe Harbor Contribution Account.** You can request a distribution from your Safe Harbor Contribution Account at any time after you have reached age 59½.

- **401(k) Contribution Account.** You can request a distribution from your 401(k) Contribution Account at any time after you have reached age 59½.

- **Qualified Matching Contribution Account.** You can request a distribution from your Qualified Matching Contribution Account at any time after you have reached age 59½. This account is one to which we may elect to make contributions in order to pass certain Plan testing requirements.

- **Qualified Non-Elective Contribution Account.** You can request a distribution from your Qualified Non-Elective Contribution Account at any time after you have reached age 59½. This account is one to which we may elect to make contributions in order to pass certain Plan testing requirements.

- **Frozen Non-Safe Harbor Matching Contribution Account**. You can request a distribution from your Frozen Non-Safe Harbor Matching Contribution Account at any time on or after the date you have reached age 59½.

- **Rollover Contribution Account.** You can request a distribution from your Rollover Contribution Account at any time.

In-Plan Roth Rollovers

The Plan now permits you to convert some or all of your Account balance to a Roth Account by making an In-Plan Roth Rollover. Once you make an In-Plan Roth Rollover, the election is irrevocable. You cannot have the rollover changed back to pre-tax sources. The availability and the rules associated with this rollover are set forth below. You should always consult with a tax advisor before making a decision to take advantage of this rollover right.

Amounts That Cannot Be Converted

The following types of distributions cannot be converted:

- Installment distributions
- Annuity payments
- Required Minimum Distributions
- Any amount that is not tax deferred
- Hardship Distributions
- Any other distribution that is reasonably expected to total less than $200 during a year.

In-Plan Roth Rollover Available under Plan Terms

As a Participant, spousal beneficiary or spousal Alternate Payee, you may elect an In-Plan Roth Rollover with respect to any vested amount held in your account (other than your Roth 401(k) Contribution Account) that is distributable under the terms of the Plan, including In-Service distributions available under the Plan, and is considered an Eligible Rollover Distribution at the time of the In-Plan Roth Rollover. Your spouse is not required to consent to an In-Plan Roth Rollover regardless of any spousal consent requirements in the Plan.

You may make an In-Plan Roth Direct Rollover which is an Eligible Rollover Distribution that you elect to convert and deposit in your In-Plan Roth Rollover Account via a direct rollover. You are also permitted to make the In-Plan Roth Rollover as a 60-Day Rollover which is an Eligible Rollover Distribution that you elect to receive as a distribution and redeposit in the Plan into your In-Plan Roth Rollover Account.

Participant Loans

Outstanding Participant loans from the Plan will generally be included in the In-Plan Roth Rollover and the In-Plan Roth Rollover will not modify the existing loan repayment schedule.

Hardship Distributions
As long as you are an employee, you can take a distribution to pay for a financial hardship caused by one or more of the following circumstances:

- Unreimbursed expenses for medical care (or unreimbursed expenses necessary to obtain medical care) incurred by you, your spouse, your dependents, or the person named as your primary Plan beneficiary, provided the expenses are the type that are considered tax deductible under the Internal Revenue Code.
- Costs related to the purchase of your principal residence (excluding mortgage payments).
- Payments necessary to prevent eviction from your principal residence or to prevent foreclosure on the mortgage of your principal residence.
- Tuition, related educational fees, and room and board, for up to the next 12 months of post-secondary education for you, your spouse, your children, other eligible dependents, or the person named as your primary Plan beneficiary.
- Funeral expenses for your deceased parent, your spouse, your children, other eligible dependents, or the person named as your primary Plan beneficiary.
- Expenses for repair of damage to your principal residence that would qualify for a casualty deduction (without regard to whether the loss exceeds 10% of your adjusted gross income).

If you have one of the above expenses, a hardship distribution can only be made if the following rules are also satisfied:

- The hardship distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the hardship distribution.
- You must have taken any other distribution or Participant loans available under this or any Plan maintained by us.

Hardship distributions can be taken from (a) your 401(k) Contributions (excluding earnings); and (b) your Roth 401(k) Contributions (excluding earnings).

You cannot make any 401(k) Contributions or Roth 401(k) Contributions to the Plan for 6 months after you take a hardship distribution. In addition, all hardship distributions must comply with the terms of the Administrative Policy Regarding Financial Hardship Distributions established by the Administrator.

Loans to Participants

You are permitted to borrow from the Plan using an electronic authorization system available via the Participant Services Hotline or Participant Website (see page 1). Loans will be made only to actively-employed Participants in accordance with the Loan Policy established by the Administrator. Your vested account balance is used as security for the loan.

Loans will be made pursuant to the following terms:

- You may have a maximum of One loan(s) outstanding at any time;
- The minimum amount of a loan is $1,000;
- The maximum amount of the loan, when added to the outstanding balance of all other loans from the Plan, is generally the *lesser* of 50% of your vested account balance or $50,000 (reduced by the excess of your highest outstanding loan balance during the prior 1-year period over the outstanding loan balance as of the day the loan is made);
- The loan term may not exceed 5 years, except that any loan used to purchase your principal residence may be repaid over a 10-year period;
- Loans are available from the vested portion of all of your accounts;
- The following loan fees will be charged to your account - $75 to establish the loan; $0 per quarter to administer the loan.

You will be charged a reasonable rate of interest on any loan that you take from the Plan. Loan proceeds are generally taken pro rata from investment funds in which your account balance is invested. All payments of principal and interest that you make on a loan will be credited to your account. Loan payments generally must be made through payroll deduction. If you fail to make payments when they are due under the loan terms, you will be considered to be in "default." A loan in default may be treated as a distribution from the Plan, thus resulting in taxable income to you. In any event, your failure to repay a loan will reduce the benefit that you would otherwise be entitled to from the Plan.

Note that if you have an unpaid leave of absence or go on military leave while you have an outstanding loan, you may qualify for a suspension of loan payments. Upon termination of employment, all loans will immediately become due and payable. If a loan is not repaid within a reasonable time following termination, it will be offset against your vested account balance.

If you had an outstanding loan under the eBay Inc. 401(k) Savings Plan immediately prior to the effective date of this Plan, that loan has been transferred to this Plan, and you will be required to repay that loan through future payroll deductions as an employee of the Employer.

The Administrator may periodically revise the Plan's loan policy. For further details on Plan loans, you may request a copy of the Loan Policy from the Administrator.

Investment of Accounts

Subject to an investment policy established by the Administrator, you can direct how your Account will be invested. You can choose from any investment options offered by the Plan. You can switch between investments as often as is permitted under the investment options you choose. All earnings and losses on your directed investments will be credited directly to your Account. Investment results will reflect any fees and investment expenses for the investments you select. You may request more information on fees associated with an investment option from the Administrator. At the appropriate time, we will provide you with more detailed information about the investment options offered by the Plan.

If you were participating in the eBay Inc. 401(k) Savings Plan immediately prior to the effective date of this Plan, your investment elections have been mapped to similar investment options under this Plan.

We intend to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974. This means that if you are permitted to exercise independent control over the investment of your Account and you are offered a reasonably diverse selection of well managed investment options, then the fiduciaries of the Plan, including the Administrator and us, may be relieved of certain liabilities for any losses which occur because you exercise control.

Generally, you will receive a quarterly statement that contains information regarding your investment choice(s), any contributions received by the Plan during that quarter, your investment gains or losses, ending fund balances and your vested percentage.

Tax Withholding on Distributions

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information from the Administrator at the time of any benefit distribution, and you should consult your tax advisor to determine your personal tax situation before taking the distribution.

Direct Rollovers Not Subject to Tax
Any eligible distribution that is directly rolled over to another eligible retirement account (either another qualified retirement plan or an individual retirement account) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be directly rolled over to another eligible retirement account unless the distribution (1) is part of a series of equal periodic payments made over your lifetime, or over the lifetime of you and your beneficiary, or over a period of 10 years or more; or (2) is a minimum benefit payment which must be paid to you by law. There are other distributions that are not eligible for direct rollover treatment, and you should contact the Administrator if you have questions about a particular distribution.

20% Withholding on Taxable Distributions
If you have your benefit paid to you and it's eligible to be rolled over, you only receive 80% of the benefit payment. The Administrator is required to withhold 20% of the taxable portion of the benefit payment and remit it to the Internal Revenue Service as income tax withholding to be credited against your taxes. If you receive the distribution before you reach age 59½, you may also have to pay an additional 10% tax. You can still rollover all or a part of the 80% distribution that is paid to you by putting it into an IRA or into another qualified retirement plan within 60 days of receiving it. If you want to rollover 100% of the eligible distribution to an IRA or to another qualified retirement plan, you must find other money to replace the 20% that was withheld. You cannot elect out of the 20% withholding (1) unless you are permitted (and elect) to leave your benefit in this Plan, or (2) unless you have 100% of an eligible distribution transferred directly to an IRA or to another qualified retirement plan that accepts rollover contributions.

Tax Treatment of Roth 401(k) Distributions
The tax treatment of a distribution of Roth 401(k) Contributions (and the associated investment earnings) depends upon whether the distribution is a "qualified Roth distribution" or a "nonqualified Roth distribution".
If the distribution is a "qualified Roth distribution," then the entire amount distributed is tax-free, even the portion attributable to investment earnings on the Roth 401(k) Contributions. To be considered a "qualified Roth distribution," the following three conditions must be met:

- You have satisfied the 5-year rule (also known as the 5-year clock);
- The distribution is made after you have reached age 59 ½, died or become disabled; and
- The distribution is not a deemed distribution of a defaulted loan, or a distribution of excess deferrals

The 5-year rule is satisfied if the Roth 401(k) distribution occurs in the 5th or later tax year following the year the first Roth 401(k) Contribution is made to the plan. For example, if you first make Roth 401(k) Contributions in 2014, you will satisfy the 5-year rule as of January 1, 2019. It is not necessary that you make a Roth 401(k) contribution in each of the five (5) years.

A "non-qualified Roth distribution" is any distribution that is not a "qualified Roth distribution." Non-qualified Roth distributions are subject to taxation (and in some cases, a 10% early distribution penalty) on the portion of the distribution which is attributable to investment earnings, unless you roll over the distribution as described below.

You may elect to make a rollover of your Roth 401(k) Contributions and earnings to a Roth IRA. The tax treatment of any subsequent distribution from the Roth IRA will be governed by the tax rules attributable to Roth IRA distributions. Please note that the 5-year clock for a Roth IRA distribution will <u>not</u> include the portion of time that the Roth 401(k) Contributions were in the Plan.

You may also elect to make a rollover to an eligible retirement plan that accepts rollovers and agrees to separately account for Roth 401(k) Contributions. To the extent that you make a plan-to-plan rollover (direct rollover), you will be provided a statement indicating the amount of your Roth 401(k) Contribution (basis) and the year that your 5-year clock started. This information must generally be provided to the recipient plan in conjunction with your rollover. Please note that the 5-year clock in the recipient plan will include the portion of time that you made Roth 401(k) Contributions to this Plan.

When you roll over a Roth 401(k) balance to a new Roth IRA, the five-year qualification period starts over. This may impact the rollover decision. If you have an established Roth IRA, then the qualification period is calculated from the initial deposit into the IRA and the rollover will be eligible for tax-free withdrawals when that five-year period has ended (and the age qualifier has been met).

Federal Income Tax Rules for In-Plan Roth Rollovers
In-Plan Roth Rollover amounts are not subject to federal tax withholding at the time of the conversion. However, taxes are due on pre-tax amounts for the year of the conversion. Therefore, you should consider your ability to pay the additional income tax on the amount converted and should consult with a tax professional for the best options for your particular situation.

Claims Procedure

If you feel that you are entitled to a benefit that you are not receiving from the Plan, you can make a written request to the Administrator (or its delegate) for that benefit. Plan Benefits fall into two categories – Disability related benefits and non-Disability related benefits. A Disability-related benefit means a benefit that is available under the Plan and that becomes payable upon a determination of a Participant's Disability as determined by the Administrator. A Disability-related benefit does not include a benefit that, under the terms of this Plan, becomes payable upon a determination of a Participant's Disability by the Social Security Administration or under a long term Disability or other plan sponsored by the Employer. The claims procedure for each Disability-related benefits and non-Disability benefits are similar, but there are differences.

Written Claims
Any claim for benefits must be filed in writing with the Administrator, but the Administrator may permit the filing of a claim for benefits electronically in compliance with certain Department of Labor requirements.

Review of Non-Disability Benefit Claims
If your claim is for a non-Disability related benefit, it will be reviewed under the following procedure:

- **Initial Denial.** Whenever the Administrator decides for any reason to deny a claim in whole in part, the Administrator will give you a written or electronic notice of its decision within 90 days of the date the claim was filed, unless an extension of time is necessary. If special circumstances require an extension, the Administrator will notify you before the end of the initial 90-day review period that additional review time is necessary. The notice for an extension (a) will specify the circumstances requiring a delay and the date that a decision is expected to be made; and (b) will describe any additional information needed to resolve any unresolved issues. Unless the Administrator requires additional information from you to process the claim, the review period cannot be extended beyond an additional 90 days. If the Administrator requires additional information from you to process the claim and a timely notice requesting the additional information is transmitted to you, it must be provided within 90 days of the date that the notice is provided by the Administrator.

- **Notice of Denial.** If your claim is denied, the notice will contain the following information: (a) the specific reasons for the denial; (b) reference to the specific Plan provisions on which the denial is based; (c) a description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary; (d) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim; (e) a description of the Plan's review (i.e., appeal) procedures, the time limits applicable to such procedures, and in the event of an adverse review decision, a statement describing any voluntary review procedures and your right to obtain copies of such procedures; and (f) a statement that if you request a review of the Administrator's decision and the reviewing fiduciary's decision on review is adverse to you, there is no further administrative review following the initial review, and that you then have a right to bring a civil action under ERISA §502(a). The notice will also include a statement advising you that, within 60 days of the date on which you receive such notice, you may obtain review of the decision as explained in the next paragraph.

- **Right to Appeal.** Within the 60-day period beginning on the date you receive notice regarding disposition of your claim, you may request that the claim denial be reviewed by filing with the Administrator a written request for such review. The written request must contain the following information: (a) the date on which your request was received by the Administrator; (b) the specific portions of the denial of your claim which you request be reviewed; (c) a statement setting forth the basis upon which you believe the Administrator's denial of your claim should be reversed and your claim should be accepted; and (d) any other written information (offered as exhibits) which you want to be considered to explain your position, without regard to whether such information was submitted or considered in the initial benefit determination.

- **Review on Appeal.** In general, your appeal will be reviewed within 60 days of the date it is received by the Administrator (unless special circumstances require an extension to 120 days and you are so notified before the end of the 60-day review period). The review will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial determination. The decision on review will contain the following: (a) the specific reasons for the denial on review; (b) reference to specific Plan provisions on which the denial is based; (c) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; (d) a statement describing any voluntary review procedures and your right to obtain copies of such procedures; and (e) a statement that there is no further administrative review of decision and that you have a right to bring a civil action under ERISA §502(a).

Review of Disability Benefit Claims
If your claim is for a Disability related benefit, it will be reviewed under the following procedure:

- **Initial Denial.** Whenever the Administrator decides for any reason to deny a claim for a Disability benefit in whole or in part, the Administrator will transmit to you a written or electronic notice of its decision within 45 days of the date the claim was filed, unless an extension of time is necessary. If, prior to the expiration of the initial 45-day period, the Administrator determines that a decision cannot be made within that initial 45-day period due to matters beyond the control of the Plan, the Administrator will provide you a notice before the end of the 45-day review period that a 30-day extension of time is necessary. If, prior to the end of the first 30-day extension period, the Administrator determines that a decision cannot be made within that first 30-day extension period due to matters beyond the control of the Plan, the Administrator will provide you a notice before the end of the first 30-day extension period that an additional 30-day extension of time is necessary. Any notice of an extension of time will (a) specify the circumstances requiring the extension of time and the date a decision is expected to be rendered; (b) explain the standards on which entitlement to a Disability Benefit is based; (c) state the unresolved issues that prevent a decision on the claim; and (d) describe any additional information needed to resolve those issues. If the Administrator requires additional information from you to process the Disability Benefit claim and a timely notice requesting the additional information is transmitted to you, you must provide the additional information within 45 days of the date the notice is provided.

- **Notice of Denial.** If your claim is denied, the notice will contain the following information: (a) the specific reasons for the denial; (b) reference to the specific Plan provisions on which the denial is based; (c) a description of any additional material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary; (d) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim; (e) if the claim denial is based on an internal rule, guideline, protocol, or other similar provision, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy thereof is available upon request, free of charge; (f) if the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the plan to the Claimant's medical circumstances, or a statement that such explanation is available upon request, free of charge; (g) a description of the review (i.e., appeal) procedures, the time limits applicable to such procedures, and in the event of an adverse review decision, a statement describing any voluntary review procedures and your right to obtain copies of such procedures; and (h) a statement that if you request a review of the Administrator's decision and the review is adverse to you, that there is no further administrative review following such initial review, and that you have a right to bring a civil action under ERISA §502(a). The notice will also include a statement advising you that, within 180 days of the date you receive the notice, you may obtain review of the decision as explained in the next paragraph.

- **Right to Appeal.** Within the 180-day period beginning on the date you receive notice regarding disposition of your claim, you may request that the claim denial be reviewed by filing with the Administrator a written request for such review. The written request for such review must contain the following information: (a) the date on which your request was received by the Administrator; (b) the specific portions of the denial of your claim which you request be reviewed; (c) a statement setting forth the basis upon which you believe the Administrator's denial of your claim should be reversed and your claim should be accepted; and (d) any other written information (offered as exhibits) which you want to be considered to explain your position, without regard to whether such information was submitted or considered in the initial benefit determination.

- **Review by Alternate Reviewer.** Review of a Disability Benefit claim that has been denied under the procedures described in the preceding two paragraphs will be conducted by a reviewer who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual. The review will not afford deference to the initial adverse benefit determination, but will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. If the adverse benefit determination was based on a medical judgment, the reviewer will consult with an appropriate health care professional who (a) was not consulted on the original adverse benefit determination, (b) is not subordinate to someone who was consulted on the original adverse benefit determination, and (c) has appropriate training and experience in the field of medicine involved in the medical judgment. Any experts whose advice was obtained on the original adverse determination must be identified during the review, without regard to whether the advice was relied upon in making the determination. You may request, in writing, a list of such experts.

- **Review on Appeal.** In general, your appeal will be reviewed within 45 days of the date it is received by the Administrator (unless special circumstances require an extension to 90 days and you are so notified before the end of the 45-day review period). The reviewer will take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. The reviewer's decision will contain the following: (a) the specific reasons for the denial; (b) reference to specific Plan provisions on which the denial is based; (c) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; (d) if the claim denial is based on an internal rule, guideline, protocol, or other similar criterion, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of the rule, guideline, protocol, or other similar criterion is available upon request, free of charge; (e) if the claim denial is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation is available upon request, free of charge; (f) a statement describing any voluntary review procedures and your right to obtain copies of such procedures; (g) a statement that there is no further administrative review of the reviewer's decision and that you have a right to bring a civil action under ERISA §502(a); and (h) the following statement: "You and your Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

Participants Absent Because of Military Duty

Participants Who Die During Military Absence

If you are absent from employment with us because of military service and you die while you are performing "qualified" military service (as defined under the Internal Revenue Code), you will be treated as having returned to employment on the day before your death for Vesting purposes. However, you will not be entitled to any additional benefits or contributions with respect to your period of military leave.

Other Information

Attachment of Your Account
Your creditors cannot garnish or levy upon your Account except in the case of a proper IRS tax levy, and you cannot assign or pledge your Account except as collateral for a loan from the Plan or as directed through a Qualified Domestic Relations Order ("QDRO") as part of a divorce, child support or similar proceeding in which a court orders that all or part of your Account be transferred to another person (such as your ex-spouse or your children). The Plan has a procedure for processing QDROs, which you can obtain free of charge from the Administrator. If you were participating in the eBay Inc. 401(k) Savings Plan immediately prior to the effective date of this Plan and had a QDRO on file with that plan, the QDRO will be transferred to this Plan and will apply to your Account.

Amendment or Termination of the Plan
Although we intend for the Plan to be permanent, we can amend or terminate it at any time. If we do terminate the Plan, all Participants will have a 100% Vested Interest in their Accounts as of the Plan termination date, and all Accounts will be available for distribution at the same time and in the same manner as would have been permissible had the Plan not been terminated.

Accounts Are Not Insured
Your Account is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions of ERISA do not apply to 401(k) plans such as the Plan. For more information on PBGC coverage, ask the Administrator or contact the PBGC. Written inquiries to the PBGC should be addressed to: Technical Assistance Division, PBGC, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026. You can also call them at (202) 326-4000.

Payment of Plan Expenses
The Plan routinely incurs expenses for the services of lawyers, actuaries, accountants, third party administrators, and other advisors. Some of these expenses may be paid directly by us while other expenses may be paid from the assets of the Plan. The expenses that are paid from Plan assets will be shared by all Participants either on a pro-rata basis or an equal dollar basis. If the expense is paid on a pro-rata basis, an amount will be deducted from your Account based on its value as compared to the total value of all Participants' Accounts. For example, if the Plan pays $1,000 of expenses and your Account constitutes 5% of the total value of all Accounts, $50 would be deducted from your Account ($1,000 x 5%) for its share of the expense. On the other hand, if the expense is paid on an equal dollar basis, the expense is divided by the number of Participants and then the same dollar amount is deducted from each Participant's Account.

Dividend or Income Payment Allocated Among Participants
When dividends or income payments are allocated among Participant accounts, and the pro rata allocation of such payment would result in the allocation of less than $25 to a Terminated Participant, the Terminated Participant will not receive the allocation. Such amount will be deposited to the Trust and the Plan Administrator will allocate all such amounts on a pro rata basis to the other Participants receiving such dividend or income payment.

Statement of ERISA Rights

Your Right To Receive Information
You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Participants are entitled to (a) examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration; (b) obtain copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description upon written request to the Administrator. The Administrator may make a reasonable charge for the copies; (c) receive a summary of the Plan's annual financial

report. The Administrator is required by law to furnish each Participant with a copy of this summary annual report; and (d) obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (which is defined elsewhere in this SPD) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Duties of Plan Fiduciaries
In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforcement of Rights
If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions
If you have any questions about your Plan, you should contact the Administrator. If you have questions about this statement or about your ERISA rights, or if you need assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory; or contact them at http://www.dol.gov/ebsa/aboutebsa/org_chart.html or at the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You can call the Employee Benefits Security Administration (the EBSA) at (866) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA. You may also obtain additional pension-related information at the Department of Labor's website at http://www.dol.gov/ebsa/publications/wyskapr.html where you can review a publication called "*What You Should Know About Your Retirement Plan*."

Other Account Questions?
Call (800) 724-7526 to talk to a Participant Services Representative Monday through Friday, 7:00 a.m. – 11:00 p.m. ET.

Glossary

Many definitions are used in this summary and most are defined in the section where they appear, but the following terms have broader application and are used throughout the SPD. Any capitalized terms used but not defined herein have the meaning ascribed to them in the Plan.

Account Your Account represents the aggregate value of the contributions made to the Plan on your behalf, as well as the net earnings on those contributions. Your Account may include (but is not limited to) the following sub-accounts: the 401(k) Contribution Account and the Safe Harbor Matching Contribution Account.

Allocation Period The Allocation Period is the period of time for which a contribution to the Plan is allocated. The Allocation Period is generally the Plan Year but can be a shorter period of time.

Differential Wage Payments Differential Wage Payments are payments made to you by the Employer (a) while you are on active military duty for a period of more than 30 days; and (b) which represents all or a portion of the Compensation you would have received from the Employer if you were performing services for the Employer.

Disability Disability is a physical or mental impairment you suffer after you become a Participant in the Plan (and while you are still an employee) which, in the opinion of a physician acceptable to the Administrator, totally and permanently prevents you from performing your customary and usual duties for us.

Eligible Employee The term *Eligible Employee* generally means any Employee who is not a member of an ineligible class of Employees and who thereby is eligible to participate in the Plan after satisfying any applicable age or service requirement for the Plan. The term "Employee" will not include: (i) any individual who is classified in the records of an Employer or Affiliated Employer as a temporary worker, consultant, independent contractor, outsourced worker or vendor, intern, or other non-employee service provider of any type (ii) any person not on the U.S. payroll.

Fringe Benefit Payments Fringe Benefit Payments, in general, are reimbursements or other expense allowances, cash and noncash fringe benefits, moving expenses, deferred compensation, and welfare benefits.

Key Employee A Key Employee is an Employee who satisfies certain executive, ownership, or compensation requirements as set forth in the Internal Revenue Code.

Leased Employee A Leased Employee is, generally, a person who is employed by an employee leasing organization but performs services for the Employer on a substantially full time basis for a period of at least one year, and such services are performed under the primary direction or control of the Employer.

Non-Resident Alien Employee A Non-Resident Alien Employee is an individual who is neither a citizen of the United States of America nor a resident of the United States of America and who does not receive earned income from the Employer which constitutes income from sources within the United States.

Normal Retirement Age Normal Retirement Age is the date you reach age 65.

Spouse The term “spouse” or “marriage” should be read to include either opposite or same-gender couples legally married in any state, U.S. territory or foreign jurisdiction that recognizes such marriages, regardless of where you currently live. However, a registered domestic partnership, civil union or similar relationship recognized under state law is not considered a “marriage” for purposes of this retirement plan. Please note that if the plan is a governmental plan, church plan or is subject to ERISA, different rules may apply.

Union Employee A Union Employee is an Employee whose employment is governed by a collective bargaining agreement between Employee representatives and the Employer in which retirement benefits were the subject of good faith bargaining.

Vested Interest Your Vested Interest is the percentage of your Account to which you are entitled at any point in time. This percentage, in turn, is the aggregate of your Vested Interest in your various sub-accounts. However, notwithstanding any vesting schedule set forth in other sections of this summary, you will have a 100% Vested Interest in your Account upon reaching Normal (or Early) Retirement Age, or upon your death or disability while you are still a Participant but before you terminate employment.