

PayPal Holdings, Inc.  
Form 4  
July 21, 2015

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Donahoe John J

2. Issuer Name and Ticker or Trading Symbol  
PayPal Holdings, Inc. [PYPL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2211 NORTH FIRST STREET  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/17/2015

Director  10% Owner  
 Officer (give title below)  Other (specify below)

SAN JOSE, CA 95131

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Restricted Stock Units-1        | 07/17/2015                           |  | A <sup>(1)</sup>               | 156,589 A   | \$ 0 592,901  | D  |   |
| Restricted Stock Units-1        | 07/17/2015                           |  | A <sup>(2)</sup>               | 216,358 A   | \$ 0 809,259  | D  |   |
| Restricted Stock Units-3        | 07/17/2015                           |  | A <sup>(3)</sup>               | 150,000 A   | \$ 0 959,259  | D  |   |
| Common Stock                    | 07/17/2015                           |  | F                              | 272,880 <sup>(4)</sup> A  | \$ 38.39 686,379  | D  |   |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |              |                 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-----------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Am<br>Nu<br>Sha |
| Non-Qualified Stock Option (right to buy)  | \$ 6.59 <sup>(5)</sup>                                 | 07/17/2015                           |  | A <sup>(5)</sup>               | 290,516   | <sup>(6)</sup>   | 03/02/2016  | Common Stock | 29              |
| Non-Qualified Stock Option (right to buy)  | \$ 15 <sup>(5)</sup>                                   | 07/17/2015                           |  | A <sup>(5)</sup>               | 500,000   | <sup>(7)</sup>   | 03/01/2017  | Common Stock | 50              |
| Non-Qualified Stock Option (right to buy)  | \$ 20.28 <sup>(5)</sup>                                | 07/17/2015                           |  | A <sup>(5)</sup>               | 354,477   | <sup>(7)</sup>   | 03/01/2018  | Common Stock | 35              |
| Non-Qualified Stock Option (right to buy)  | \$ 22.98 <sup>(5)</sup>                                | 07/17/2015                           |  | A <sup>(5)</sup>               | 170,068   | <sup>(7)</sup>   | 04/02/2019  | Common Stock | 17              |
| Non-Qualified Stock Option (right to buy)  | \$ 34.99   | 07/17/2015                           |  | A <sup>(5)</sup>               | 125,888   | <sup>(7)</sup>   | 04/01/2020  | Common Stock | 12              |
| Non-Qualified Stock Option (right to buy)  | \$ 35.19 <sup>(5)</sup>                                | 07/17/2015                           |  | A <sup>(5)</sup>               | 146,654   | <sup>(7)</sup>   | 04/01/2021  | Common Stock | 14              |
| Non-Qualified Stock Option (right to buy)  | \$ 33.29 <sup>(5)</sup>                                | 07/17/2015                           |  | A <sup>(5)</sup>               | 108,536   | <sup>(7)</sup>   | 04/01/2021  | Common Stock | 10              |

## Reporting Owners

| Reporting Owner Name / Address            | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Donahoe John J<br>2211 NORTH FIRST STREET | X             |           |         |       |

SAN JOSE, CA 95131

## Signatures

By: Russell S. Elmer For: John J.  
Donahoe

07/17/2015

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

In connection with the spin-off of the Issuer from eBay Inc. on July 17, 2015, each outstanding eBay RSU award was converted into a RSU award in respect of both shares of eBay's common stock and the Issuer's common stock pursuant to the terms of the employee matters agreement between eBay Inc and the Issuer. The number of shares of the Issuer's common stock subject to the award was determined based on the number of the Issuer's shares distributed per eBay share in the spin-off. Mr. Donahoe received one share of the Issuer's common stock for each RSU of the Issuer.

(1) In connection with the spin-off of the Issuer from eBay Inc. on July 17, 2015, each outstanding eBay RSU resulting from an eBay PBRSU award was converted into a RSU award in respect of both shares of eBay's common stock and the Issuer's common stock pursuant to the terms of the employee matters agreement between eBay Inc and the Issuer. The number of shares of the Issuer's common stock subject to the award was determined based on the number of the Issuer's shares distributed per eBay share in the spin-off. Mr. Donahoe received one share of the Issuer's underlying common stock for each RSUs of the Issuer.

In connection with the spin-off of the Issuer from eBay Inc. on July 17, 2015, each outstanding eBay PSU award was converted into a PSU award in respect of both shares of eBay's common stock and the Issuer's common stock pursuant to the terms of the employee matters agreement between eBay Inc and the Issuer. The number of shares of the Issuer's common stock subject to the award was determined based on the number of the Issuer's shares distributed per eBay share in the spin-off. Mr. Donahoe received one share of the Issuer's underlying common stock for each PSU of the Issuer.

(2) Represents shares required to satisfy tax withholding for common stock received in respect of Restricted Stock Units-1, -2, and -3.

(3) In connection with the spin-off of the Issuer from eBay Inc. on July 17, 2015, each outstanding eBay stock option award was converted into an award of options to purchase both shares of eBay's common stock and shares of the Issuer's common stock pursuant to the terms of the employee matters agreement between eBay Inc and the Issuer. The number of shares and exercise prices of each option award were adjusted in a manner intended to preserve the aggregate intrinsic value of the original eBay stock option.

(4) The option grant became fully vested on July 17, 2015.

(5) The option grant is fully vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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