



Policy

Enterprise Ethics and Whistleblower Reporting Policy

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Table of Contents

1. Overview and Purpose.....	3
2. Scope.....	3
3. References to External Commitment	3
4. Key Definitions	3
5. Roles and Responsibilities.....	4
6. Policy Requirements	5
6.1. Introduction	5
6.2. Types of Ethics Claims	5
6.3. Non-Retaliation and Support Resources.....	6
6.4. Confidentiality and Cooperation	6
6.5. Reporting Mechanisms	7
6.6. Integrity Helpline	7
6.7. Employee Central.....	7
6.8. Other Employee Resources	8
6.9. Screening.....	8
6.9.1. HR Concerns	8

6.9.2. Non-HR Concerns	9
6.10. Investigations: Roles and Responsibilities	10
6.11. Responses	10
6.12. Periodic Reports	11
6.13. Reports Not Made in Good Faith.....	11
6.14. Retention of Records.....	11
6.15. Access, Review and Objection	12
7. Policy Approval Requirements	12
8. Enforcement and Exceptions.....	12

1. Overview and Purpose

This Policy sets out the requirements for PayPal Holdings, Inc., and its subsidiaries (collectively, “PayPal”) to maintain channels for Employees and other stakeholders to report, anonymously or otherwise, misconduct, fraud and other ethics matters which, among other things, may lead to accounting irregularities or audit concerns.

2. Scope

This Policy applies to all Employees and to other stakeholders such as contingent workers, vendors and other parties that do business with PayPal. While this Policy is focused on Employees, all Reports are evaluated and investigated as appropriate, including from contingent workers, consultants and other third parties (e.g., vendors, customers, partners).

3. References to External Commitment

Section 10(m)(4) of the Securities Exchange Act of 1934, as added by Section 301 of the Sarbanes-Oxley Act of 2002, requires the establishment of procedures for (a) the receipt, retention and treatment of complaints received by a public company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of public companies of concerns regarding questionable accounting or auditing matters. Where ethics and whistleblower reporting regulations exist covering PayPal entities outside the United States, PayPal will comply with those regulations and where required will have policies and procedures in place consistent with this Policy and applicable law.

4. Key Definitions

Business Ethics Officer (“BEO”): An Employee who supports the Ombuds/Ethics Team and assists Employees and other stakeholders with ethics and PayPal Code of Business Conduct and Ethics (“Code of Conduct”) questions and guidance, including potential conflicts of interest, disclosures about gifts and business hospitality, and potential reports of misconduct. BEOs are selected for their good judgment, discretion, and ability to provide sound advice and guidance. A roster of BEOs across the globe may be found on the Risk and Platforms homepage on the Bridge.

Employee: Any person employed by PayPal, including all PayPal officers, at all levels of PayPal.

External Investigator: An investigator from an external firm engaged by PayPal to conduct or assist with an internal investigation based on a Report under this Policy.

Integrity Helpline: A confidential reporting portal, which is staffed by trained, independent third-party professionals. The Integrity Helpline is available in multiple languages and allows Reports to be made online or by telephone on an anonymous basis (if desired).

Report: A concern disclosed by an Employee or other party that he or she believes may adversely impact PayPal or that may otherwise involve a violation of the Code of Conduct, PayPal policies and/or the law. Examples of the types of concerns that are reported pursuant to this Policy can be found in Section 6.2.

5. Roles and Responsibilities

This section sets forth the roles and responsibilities of relevant parties as the roles apply to this Policy.

Board of Directors (the “Board”): The Board of PayPal Holdings, Inc. is responsible for setting an appropriate “tone at the top.” The Board has delegated certain responsibilities to the Audit, Risk, and Compliance Committee of the Board (“ARCC”), including oversight, review, and approval of this Policy.

Legal Officer: The Legal Officer is the head of the Legal Department. The Legal Officer and the Chief Risk Officer, or their designees, collaborate to review investigations into claims of misconduct made in Reports.

Risk and Compliance: Risk and Compliance is responsible for directing the whistleblower reporting process at PayPal, developing this Policy, and monitoring and ensuring adherence to this Policy. Risk and Compliance ensures that there are multiple safe avenues available to Employees to ask questions about Code of Conduct matters and to raise Reports about potential misconduct, including fraud and unethical practices, and that Employees are aware of these resources. Risk and Compliance includes:

- **Chief Risk Officer (“CRO”):** The CRO is the head of Risk and Compliance and the co-chair of the Enterprise Risk Management Committee (“ERMC”). The CRO and the Legal Officer, or their designees, collaborate to review investigations into claims of misconduct made in Reports. The CRO periodically reports to senior management and the ARCC, as appropriate.
- **Ombuds/Ethics Team:** This team is responsible for providing clear guidance to Employees on reporting improper business conduct, managing the PayPal Integrity Helpline, tracking, and collaborating on investigations into Reports, and where appropriate, investigating claims presented in Reports.
- **Business Ethics Officer (“BEO”):** BEOs support the Ombuds/Ethics Team and provide support and guidance to Employees on ethics and Code of Conduct matters.
- **Global Investigations Team:** A team within Global Financial Crimes and Consumer Protection, a department within Risk and Compliance, that reviews Reports and conducts investigations into the claims presented, as appropriate.

The Human Resources Team: Human Resources is responsible for reviewing Reports and conducting investigations of the claims contained therein, as appropriate. The HR Team also coordinates any disciplinary actions stemming from the investigation of a Report in collaboration with the relevant business unit and investigation team.

Workplace Relations Team: A team within the Legal Department responsible for reviewing Reports and conducting investigations of the claims contained therein, as appropriate.

External Investigator: An outside firm experienced in conducting internal investigations that is engaged as appropriate under the circumstances to investigate a Report of misconduct at the direction of the Legal Department.

6. Policy Requirements

6.1. Introduction

PayPal is committed to high standards of business conduct. In line with this commitment, Employees have the right and the responsibility to raise, in good faith, concerns about improper business conduct without fear of retaliation in any form.

This Policy helps ensure (a) that Employees have a confidential means through which to communicate good faith Reports about improper business conduct, without fear of retaliation, and (b) that every Report is properly considered and, where appropriate, investigated and responded to in a timely manner.

All Employees are encouraged to raise Reports about concerns that they may encounter in their working lives with PayPal. Employees are not expected to substantiate a concern prior to reporting, and there will be no consequences if Employees report concerns which are ultimately found to be without merit, provided that the Report was made in good faith.

6.2. Types of Ethics Claims

The following is an illustrative, non-exhaustive list of the types of ethics claims that fall within the scope of this Policy:

- Internal business practices that are inconsistent with generally accepted accounting principles.
- Violations of PayPal's Code of Conduct or fraudulent practices which may include, but are not limited to:
 - Conflicts of interest;
 - Falsifying, forging or improperly altering books and records;
 - Insider trading;
 - Misappropriating intellectual property;
 - Collusion with competitors or other conduct prohibited under competition laws;
 - Money laundering;
 - Data protection infringements;
 - Corruption and bribery;
 - Theft;
 - Audit irregularities;
 - Policy violations;
 - Retaliation;
 - Unethical sales practices;
 - Misuse of PayPal assets;
 - Unsafe workplace behavior, including harassment and discrimination, and
 - Reports not made in good faith.
- Authorizing, directing, or participating in ethics violations.

- Deliberately concealing significant ethics violations or deliberately withholding relevant information concerning a significant ethics violation, including, but not limited to, failing to cooperate with an investigation into such conduct fully and honestly.

In accordance with local laws and regulations in the European Union, the types of Reports that may be raised through the Integrity Helpline referred to in section 6.5 below by employees located in the EU may be more limited than those listed above, as detailed in Section 6.6.1 below. The types of Reports issued through the Integrity Helpline are listed on the Integrity Helpline website.

6.3. Non-Retaliation and Support Resources

Retaliation of any kind against Employees for raising a good faith Report is strictly prohibited and will not be tolerated. In “good faith” means that the Employee making the Report honestly believes that the information they are reporting about the concern he or she is raising is truthful and accurate. Additionally, no adverse action shall be taken against an Employee who refuses to carry out an instruction that would constitute fraud, a violation of law, policy, regulation, or PayPal’s Code of Conduct.

PayPal is committed to providing support as needed to any Employee who makes a Report under this Policy. Employees who have any concerns after making a Report can engage their manager, HR Business Partner, Business Ethics Officer, the Ombuds/Ethics Team, or the investigator looking into Report. Employees may also access PayPal’s Employee Assistance Program as well as the Employee Advocacy team for additional support and resources.

6.4. Confidentiality and Cooperation

Employees are encouraged to provide their identity when making a Report, as this information can be helpful to the investigation of the Report; however, Employees may choose to remain anonymous. Regardless of whether the reporter is identified or is anonymous, PayPal will consider the Report fully, fairly, and deliberately and, where appropriate, investigate the matter reported. The outcome of the investigation will be based on the information provided by the reporting party and additional information discovered or obtained during the investigation.

PayPal will seek to protect the confidentiality of the identity of the individual who made the Report to the fullest extent possible, consistent with PayPal’s need to investigate the matter and prepare an adequate response. Accordingly, such information shall be shared only on a “need-to-know” basis with those individuals investigating or responding to the Report, Human Resources staff, or individuals who may need to be advised as to the status and outcome of the investigation, unless disclosure is required by law or regulation or where PayPal is compelled by judicial or other legal process.

All Employees are required to cooperate with investigations and provide complete, accurate and truthful information. All Employees are also required to maintain the confidentiality of any investigations.

6.5. Reporting Mechanisms

Employees of PayPal who are or become aware of any of the following are encouraged to report such matters to the Integrity Helpline, Employee Central, their manager, a Business Ethics Officer, an HR representative, a member of the Legal team or a member of Risk and Compliance:

- Suspected misconduct, illegal activities, fraud, or abuse relating to PayPal's accounting, internal accounting controls or auditing matters;
- Possible violations of laws or regulations (e.g., U.S. Foreign Corrupt Practices Act or the U.K Bribery Act), including federal or state securities laws or regulations; or
- Possible violations of PayPal's Code of Conduct (including any misconduct in relation to the listed claims under section 6.2 above).

6.6. Integrity Helpline

Employees may make a Report using the Integrity Helpline by telephone or online by accessing this page on the Bridge:

<https://secure.ethicspoint.com/domain/media/en/gui/43759/phone.html>

The Integrity Helpline is available 24 hours per day, 7 days per week in multiple languages. If an ethics concern is not within the scope of subject matters permitted to be submitted through the Integrity Helpline, the Employee will be directed in writing to submit his or her concern through an alternative channel.

6.7. Employee Central

Employees may make a Report through the HR Hub, a portal managed by PayPal's Human Resources Team. Employees may access the HR Hub on the Bridge.

6.8. Other Employee Resources

Employees may make a Report directly to any Business Ethics Officer. A roster of BEOs can be found on the BEO Portal.

Employees may also make Reports to their manager, the Ombuds/Ethics Team, an HR Team employee, or a Legal or Risk and Compliance employee.

6.9. Screening

Upon receipt of a Report, the Ombuds/Ethics Team reviews the Report and determines whether it should be investigated and, if so, which internal team should lead the investigation. When it is not clear which team is best positioned to lead an investigation, the Ombuds/Ethics Team collaborates with representatives from Global Investigations (within Global Financial Crimes and Consumer Protection), Workplace Relations (within the Legal Department), and Human Resources, collectively the “Investigations Team,” to determine which team should lead the investigation. The Investigations Team meets regularly to discuss new matters for investigation, monitor progress on active internal investigations, and discuss appropriate remediation efforts.

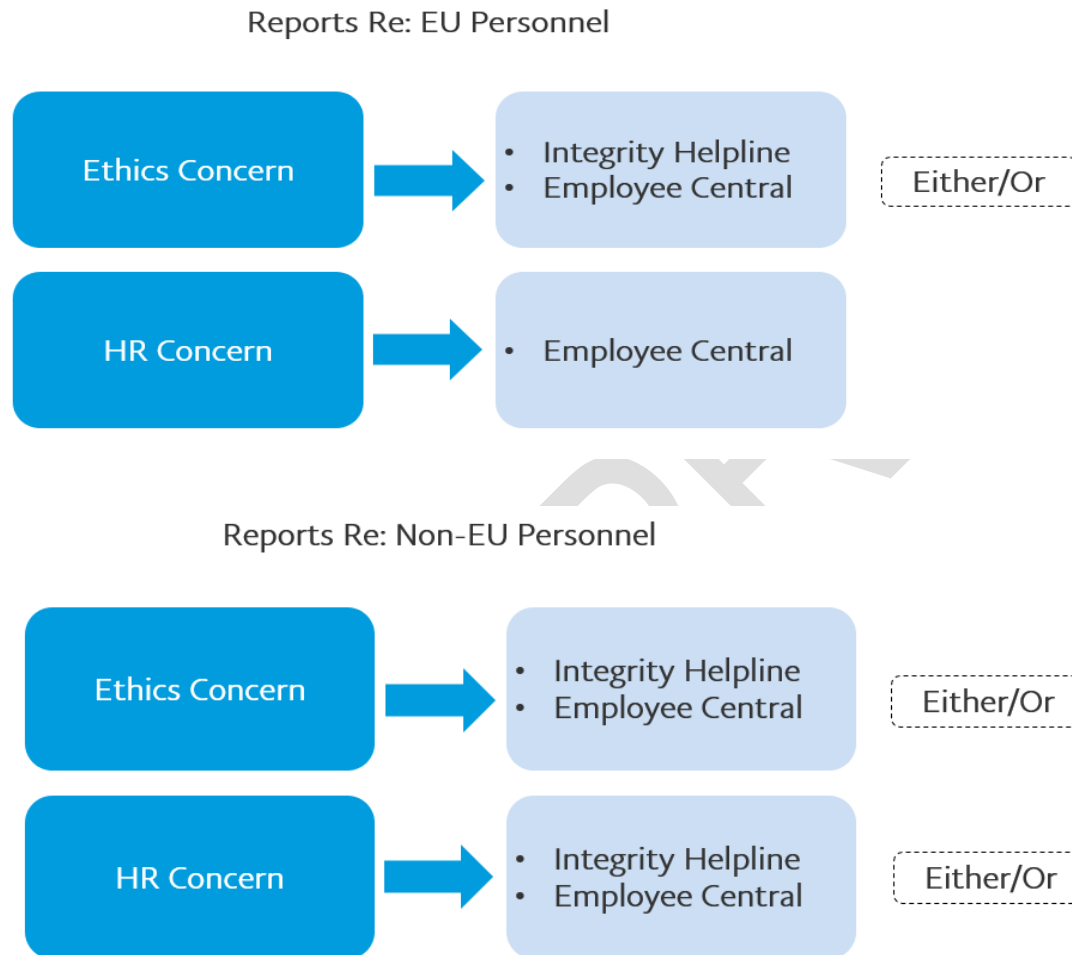
6.9.1. HR Concerns

Due to enhanced privacy concerns, employees based in the European Union (“EU”) should not use the Integrity Helpline for reporting matters that fall under the “human resources” category, including issues relating to Employee-manager relations, personnel issues, compensation, favoritism, benefits, or job performance, rather employees based in the EU should report “human resource” issues to Employee Central. Employees based in the EU who make such reports to the Integrity Helpline will be notified that the Ombuds/Ethics Team will log the concern on the Employees’ behalf with Employee Central and that the case will be closed in the Integrity Helpline system to avoid unnecessary retention of personal data. For Employees based in non-EU locations who file HR-related matters, the Ombuds/Ethics Team will refer such reports to Employee Central for investigation.

6.9.2. Non-HR Concerns

Employees based in all jurisdictions (including the EU) may use the Integrity Helpline to report non-HR concerns, including concerns relating to financial matters, auditing and accounting, banking practices, bribery and corrupt practices, discrimination, and harassment. Employees may also raise such concerns to Employee Central via the HR Hub process or through other resources as set forth in section 6.5.

The process summary graph below illustrates the appropriate channels for reporting matters:



6.10. Investigations: Roles and Responsibilities

The Investigations Team meets regularly to review internal investigations based on Reports, discuss findings and appropriate next steps in investigations, and agree on remediation recommendations where the facts uncovered require remediation. The Investigations Team will make recommendations to appropriate PayPal management on actions warranted by the investigation, and, as appropriate, will seek guidance from the CRO and the CLO, or their designees, on remediation recommendations as set out below.

When a report is made against a member of the Legal team, the Risk and Compliance team, or the Global Financial Crimes and Customer Protection team, the Head of the Ombuds/Ethics team will engage the Legal Officer, Chief Risk Officer, and the Head of Global Financial Crimes and Customer Protection, as appropriate, to take appropriate steps to set up the investigation and oversight of the matter to avoid any conflict of interest in the investigation and remediation of the report. Specifically, where a report is made against a member of one of these three organizations, the Head of Ombuds/Ethics will engage the leaders of the other two teams to determine the best course of conducting and governing the investigation and remediation of the matter to avoid any conflict of interest.

Representatives of the Investigations Team regularly provide updates to the CRO and CLO, or their designees, regarding investigations resulting from Reports to ensure fair and consistent investigations practices and remediation steps where concerns raised in Reports are found to have full or partial merit. The CRO and the CLO may, based on the specific facts of a given matter, decide to appoint an internal independent team or/or an External Investigator to assist with the investigation. The CLO (or his/her/their designee) shall serve as the liaison between the External Investigator and PayPal for such matters. If an External Investigator is retained, the External Investigator shall prepare a memorandum containing findings and recommendations based on the results of the investigation. Copies of the memorandum shall be provided to the CLO and the CRO, or their designees, as appropriate.

For investigations conducted by the Investigations Team, the Investigations Team will prepare an investigation report containing findings and recommendations, including remediation and control enhancements. Copies of the investigation report shall be provided to the CRO and CLO, or their designees, as appropriate.

6.11. Responses

After the completion of an investigation, where the Investigation Team finds the Report to be substantiated, it may, in consultation with the CRO and CLO, or their designee (as appropriate), recommend appropriate actions required to remedy or address any misconduct, fraud, abuse or illegal activities, and to prevent the recurrence of these activities.

Where the investigation had been referred to an External Investigator and the findings indicate that the Report has been substantiated (in whole or in part), the CLO, in consultation with the CRO, will determine the appropriate actions required to remedy or address any of the issues raised in the case and to prevent the recurrence of these issues in the future.

Where warranted, the CLO and/or the CRO, or their designees will also discuss the findings with the appropriate senior leadership to determine whether public disclosure, disclosure to governmental agencies and/or reporting to the Board and/or ARCC are necessary or appropriate.

Feedback to the reporter on the status of their Report may be provided at an appropriate time, although this may not always be possible for confidentiality and/or for regulatory reasons.

6.12. Periodic Reports

The Audit, Risk and Compliance Committee (“ARCC”) of the Board of Directors and PayPal’s external auditor shall periodically receive reports from the CRO (or his/her designee) as appropriate concerning Reports received by PayPal and actions taken by the Company in response to such Reports.

6.13. Reports Not Made in Good Faith

Employees who knowingly raise (i) a misleading or false concern or (ii) a concern without a reasonable belief as to its truth or accuracy (i.e., not in good faith) will not be protected by this Policy and may be subject to discipline, up to and including termination of employment, as permitted by law. Further, if a person lodges an excessive number of complaints that PayPal determines to be unfounded, they may be subject to discipline.

6.14. Retention of Records

Generally, Reports which:

- Have not given rise to disciplinary, judicial, or alternative dispute resolution actions must be purged from the Integrity Helpline system and archived within two months from the end of the investigation.
- Gave rise to actual disciplinary or judicial actions (against the person who is the subject of the Report or for submission of a Report in bad faith) are to be retained until the end of the corresponding procedure and then purged from the Integrity Helpline system and archived.
- Were issued through the Integrity Helpline but fall outside the scope of reportable topics as listed on the Integrity Helpline system must be purged from the Integrity Helpline system and archived, without delay.

Archived data shall be kept in a distinct IT environment with limited access for the applicable retention period for each specific country, unless subject to legal hold.

Reports not made through the Integrity Helpline will be retained in accordance with PayPal’s Records and Information Governance Policy.

6.15. Access, Review and Objection

The individual who is the subject of a Report may have the right to obtain access to, correct, delete, or object to the processing of certain personal data that PayPal maintains about such individual in relation to this matter. To exercise such rights, the individual may contact PayPal at globalprivacy@paypal.com. Subject to applicable laws, PayPal will provide the individual with a notice of his or her rights within a reasonable amount of time after the commencement of the investigation, unless such notification is likely to jeopardize the investigation. PayPal will not disclose the identity of the individual or individuals who made the Report to the subject.

7. Policy Approval Requirements

This Policy is maintained by the Head of the Ombuds/Ethics Team (or his/her designee(s)) and approved by the ERM and ARCC. This Policy will be reviewed and approved at least once every 12 months from the approval date. Non-material changes to this Policy required outside of this cycle may be approved by the Head of the Ombuds/Ethics Team (or his/her designee(s)).

8. Enforcement and Exceptions

All Employees are responsible for complying with this Policy. Proposed exceptions to this Policy will be evaluated on a case-by-case basis. Exception requests should be documented and presented to the CRO, or his/her designee(s), for approval. Exceptions due to applicable local law may be necessary from time to time.