

PayPal Holdings, Inc.

Stockholder Questions and Answers from the 2026 Annual Meeting of Stockholders

Below is the list of questions we received prior to and during the 2026 Annual Meeting of Stockholders of PayPal Holdings, Inc. ("PayPal" or the "Company") held on May 19, 2026 (the "Annual Meeting"). In a few cases, we have consolidated multiple questions on the same topic and provided a summary response. We have also made minor edits for clarity, corrected typos, removed inappropriate language, and removed names of individuals.

PayPal's answers to these questions may contain forward-looking statements that are based on management's current expectations, forecasts and assumptions, and involve risks and uncertainties. PayPal's actual results could differ materially from those predicted or implied by forward-looking statements. Information about factors that could adversely affect PayPal's results of operations, financial condition, and prospects or that could cause actual results to differ from those expressed or implied in forward-looking statements is included under the captions "Risk Factors", "Legal Proceedings," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in PayPal's most recent annual report on Form 10-K and its subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting PayPal's [Investor Relations](#) website or the SEC's website at www.sec.gov. You should not rely on any forward-looking statements. All information in this document is as of May 19, 2026. PayPal does not undertake, and expressly disclaims, any obligation to update the information.

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

Question: What is the date of the Annual Shareholders Meeting and where can I find the Annual Report?

Related Questions:

- *Would like annual report, date of meeting, Any directors involved w/ Stanfordhealthcare.*

Company Response:

PayPal's 2026 Annual Meeting of Stockholders will be held on Tuesday, May 19 at 8:30 am PT / 11:30 am ET. Our Proxy Statement can be found [here](#) and on our Investor Relations website.

Questions Received Prior to and During the Annual Meeting:

BUSINESS STRATEGY & STOCK PERFORMANCE

Question: What specific actions is management taking to drive sustainable revenue growth, improve profitability, and rebuild long-term shareholder value?

Related Questions:

- *Over the past five years, PayPal has significantly underperformed broader market indices, despite strong brand recognition and a leading position in digital payments. This has raised concerns about investor confidence, especially as competition intensifies and perceived innovation has slowed. Can management outline the specific strategic actions being taken to: Restore revenue growth and reaccelerate innovation...Improve operating efficiency, including the role of AI and cost structure optimization...Strengthen user engagement and increase daily active usage across the platform Additionally, how does the company plan to better leverage its brand and ecosystem to differentiate itself from competitors and rebuild long-term shareholder value?*
- *Why are you NOT increasing the stock value! [Redacted]. I will vote for increased compensation when you increase the stock value.*
- *How did we as shareholders lose so much value in the past 5 years? Why was CEO succession planning so wrong? What are you doing differently to revamp drastically operations and profitability?*

Company Response:

We are taking a disciplined, multi-pronged approach to accelerate the growth of the company, improve profitability, and increase long-term shareholder value.

We are focused on three areas where focused investment and sharper execution can meaningfully improve our growth trajectory: Checkout, Consumer Financial Services, and Payment Services. Each has clear near-term levers to improve the performance of our existing assets, as well as compelling medium-term growth opportunities. We are prioritizing investments that strengthen our consumer value proposition, deepen engagement across our customer base, and have the greatest potential to drive durable growth and shareholder value. We are also taking actions to improve efficiency, simplify operations, and increase agility across the organization, supported by the adoption of AI.

Taken together, we believe these actions will enable PayPal to execute better and deliver stronger financial performance and sustainable, long-term shareholder value.

Question: What is the latest update on the shareholder litigation that has been filed against PayPal?

Related Question:

- *What is going on with the lawsuit? The stock has gone down. Please advise on situation.*
- *Please advise the PYPL response to multiple law firms, including Hagens Berman, have filed securities class action lawsuits against PayPal alleging misleading statements to investors. The suits criticize the company for overstating growth prospects and setting unrealistic 2027 financial targets. Please advise the PYPL response to Bloomberg reporting on unsolicited takeover interest from rivals like Stripe.*

Company Response:

Please see "Item 3 - Legal Proceedings" in our most recent periodic filings on Form 10-K and Form 10-Q with the Securities and Exchange Commission. We encourage shareholders to review those disclosures.

Question: With a new CEO and the recent strategic reorganization, is it fair to view this as another reset? How is this effort different from prior turnaround attempts, and should shareholders expect a similar multi-year timeline?

Related Question:

- *You fired Alex, brought Enrique in, and have already completely reorganized the business - again. Is this just another reset that's costing shareholders more and more money? What's different this time?*

Company Response:

****NOTE: The following response was provided by CEO Enrique Lores during the 2026 Annual Meeting of Stockholders.***

To start, I am confident that we will accelerate the growth of the company while improving profitability and cash flow. PayPal has a strong foundation and valuable assets, and we see a significant opportunity to sharpen focus and execution. At the same time, I am also realistic that we need to make significant changes to improve the strategic and operational issues the company has faced.

I expect that it will take a few months to completely define our new plan, but we have started sharing the direction we are taking and some of the actions we already have underway.

First, we are aligning the Company around three distinct, attractive, and in many ways complementary market opportunities where we believe we have a strong, differentiated right to win: Checkout, Consumer Financial Services, and Payment Processing and Value-Added Services.

Second, we are simplifying how we operate. We have organized the Company into a three-business operating model – Checkout Solutions & PayPal; Consumer Financial Services & Venmo; and Payment Services & Crypto – each with clear accountability and ownership. This structure is designed to improve execution speed, sharpen decision-making, and ensure stronger alignment between strategy and operational delivery.

Third, supporting our growth plans is the opportunity to realize cost savings. We expect these savings to come in two waves – first, removing duplication and layers from our organizational structure and second, accelerating the use of AI and automation across our operations. These initiatives are expected to deliver at least \$1.5 billion of gross run-rate savings over the next two to three years.

And fourth and finally, we are modernizing our technology platform to improve speed, interoperability, and developer productivity. A stronger platform is essential to delivering better customer experiences, improving productivity, and supporting long-term growth.

I am confident in our ability to put this company on a more durable path to long-term growth and shareholder value creation. We have a strong foundation, and we are now organized to move with greater urgency. We have a well-defined framework, and we will continue to define our strategy and prioritize our plans in line with it. I look forward to sharing more progress as we move ahead.

Question: Are you really going to be able to achieve your cost savings targets through the use of AI?

Related Question:

- *There was a lot of talk about AI during your first quarter earnings, is this something you really expect to be able to see cost savings from? How are you going to do that?*

Company Response:

****NOTE: The following response was provided by CEO Enrique Lores during the 2026 Annual Meeting of Stockholders.***

Our cost savings will come from multiple areas of the business, but we believe the changes that AI will enable will be very significant.

This is why we have established a dedicated team, reporting directly to our CEO, to lead this AI transformation across the Company – focused not just on adopting AI tools, but on redesigning how we work, process by process.

AI will help us move faster and deliver a better customer experience, particularly in areas like technology development and customer support, where we see strong near-term opportunities to improve service and operate more efficiently. It will also help accelerate the modernization of our platform.

Question: What's really changing to grow branded checkout? Given PayPal's already broad merchant acceptance and large consumer base, where do you see the most significant opportunities to drive incremental selection and expand into new segments or verticals?

Related Question:

- *What is Enrique doing to grow branded checkout? Is the strategy changing?*

Company Response:

****NOTE: The following response was provided by CEO Enrique Lores during the 2026 Annual Meeting of Stockholders.***

Our Checkout Solutions & PayPal business is the highest priority for the Company and me. Through our strategic reorganization, we are bringing together our consumer and merchant ecosystems under one unified strategy. This structure will enable us to fully leverage our two-sided network and accelerate innovation across both sides of the platform.

Our intent is not to chase transitory share in any given quarter, but rather to focus on segments and verticals where PayPal can deliver differentiated value to our customers.

As I have emphasized, strengthening the consumer side of our network is key to increasing the value we deliver to merchants. Driving habituation through the adoption of our financial services offerings like BNPL is an important step toward enhancing the value proposition and customer lifetime value, which reinforces the power of our two-sided platform.

Checkout is a large and growing market where we deliver meaningful value to consumers and merchants and I believe the efforts we are undertaking will help to drive higher engagement, increase customer lifetime value, and support long-term growth.

Question: Could the Board describe the framework PayPal uses to assess and manage potential human rights risks associated with providing, restricting, or withholding services in conflict-affected and high-risk areas (CAHRAs), and whether the Company plans to provide additional transparency regarding governance oversight, stakeholder engagement, and the criteria used in market access and service decisions?

Company Response:

As disclosed in the Board's opposition statement to Proposal 5 in the Proxy Statement, PayPal takes a disciplined, market-by-market approach to evaluating where and how we operate. As a regulated financial institution, we assess a broad range of considerations when making market access and service decisions, including regulatory and compliance requirements, financial crime and sanctions risks, operational considerations, customer demand, required partnerships, and our ability to effectively manage risk while delivering long-term value for stockholders.

The scope of services we offer can vary by market depending on the local regulatory framework and operating environment. Oversight of these matters is embedded within our broader enterprise risk management, compliance, and governance processes, which involve ongoing review by management and the Board. We believe our existing governance and disclosures appropriately address these considerations and support consistent, risk-based decision-making across markets.

For additional detail, shareholders can refer to the Board's opposition statement in the [Proxy Statement](#) regarding Proposal 5.

Question: Is PayPal open to investor dialogue around brand politicization concerns created by its reported relationship with the Southern Poverty Law Center?

Company Response:

PayPal's decisions are not driven by politics or guidance from external parties. As always, we welcome investor dialogue. Our Board and management team maintain a robust stockholder

engagement program and are committed to regular engagement to solicit the perspectives of a broad cross-section of stockholders on various matters.

BUSINESS

Question: Does PayPal operate in India?

Company Response:

Yes, PayPal has operations in India, including employees based in the country, and supports both merchants and customers there. Customers in India, especially businesses and freelancers, can use PayPal to receive international payments and access global customers.

The scope of services offered varies by market and is based on factors including market opportunity, customer demand, competitive dynamics, financial impact, regulatory and compliance requirements, operational considerations, required partnerships, and the ability to manage risk effectively.

COMPENSATION

Question: Why does PayPal include equity compensation as part of its total compensation package? How does the Board ensure that equity-based compensation is aligned with long-term shareholder value creation?

Related Question:

- *Why do we give shares to executives and directors? Pay them and allow them to purchase shares at a reduced rate (75 to 85 percent of the current price) and require them to hold the shares for a specified period of time depending on the discount. Giving away shares that are created for such use diminishes the equity and voting power of each shareholder. All shares used for such purposes should be purchased by the company on the open market. Additionally, such shares should have no voting rights for the term of the recipients connection to the company.*

Company Response:

The Compensation Committee and the Board of Directors believe that equity compensation is essential to enable PayPal to attract, retain, and reward employees and directors, and to link executive compensation with long-term stockholder value creation. We strongly believe that granting equity awards motivates employees and directors to think and act like owners, rewarding them when value is created for stockholders. Additionally, our equity compensation practices are market-aligned.

For 2025, equity compensation for our Named Executive Officers (NEOs) was comprised of 50% performance-based restricted stock units ("PBRsUs") and 50% restricted stock units ("RSUs"). The PBRsUs are eligible to be earned based on rTSR, measured as compared to the S&P 500 over discrete 12-, 24- and 36-month measurement periods, with three-year cliff vesting, generally subject to continued employment. The PBRsUs are designed to drive the creation of shareholder value, and support long-term retention objectives while minimizing the potential impact of short-term share price volatility by reinforcing the need to deliver

consistent performance results over the full performance period. The RSUs vest over three years, generally subject to continued employment, and the ultimate value of the RSUs is based on stock price performance. The RSUs reward the creation of long-term value, recognize potential future contributions, and support long-term retention objectives.

For additional detail on our equity compensation programs, including a discussion of 2026 PBRsUs, shareholders can refer to the CD&A in the [Proxy Statement](#).