

EBAY INC
Form DEFC14A
March 25, 2014
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- | | | | |
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| <input type="checkbox"/> | Preliminary Proxy Statement | <input type="checkbox"/> | Confidential, for Use of the Commission Only |
| <input type="checkbox"/> | Definitive Proxy Statement | <input type="checkbox"/> | (as permitted by Rule 14a-6(e)(2)) |
| <input type="checkbox"/> | Definitive Additional Materials | | |
| <input type="checkbox"/> | Soliciting Material Pursuant to §240.14a-12 | | |

eBay Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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(1) Title of each class of securities to which transaction applies:

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(3) Filing Party:

(4) Date Filed:

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eBay Inc.

2065 Hamilton Avenue

San Jose, California 95125

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 13, 2014

To the Stockholders of eBay Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of **eBay Inc.**, a Delaware corporation (eBay, we, or the Company), will be held on Tuesday, May 13, 2014, at 8:00 a.m. Pacific time at Town Square, 2161 North First Street, San Jose, California 95131 for the following purposes:

1. To vote on the election of four director nominees to the eBay Board of Directors, each to hold office until our 2015 Annual Meeting of Stockholders.
2. To approve, on an advisory basis, the compensation of our named executive officers.
3. To approve the amendment and restatement of our 2008 Equity Incentive Award Plan, including to increase the aggregate number of shares authorized for issuance under the plan by 21.6 million shares.
4. To ratify the appointment of PricewaterhouseCoopers LLP as our independent auditors for our fiscal year ending December 31, 2014.
5. To consider a stockholder proposal presented by John Chevedden regarding stockholder action by written consent without a meeting, if properly presented before the meeting.
6. To consider a stockholder proposal presented by High River Limited Partnership, Icahn Partners LP, and Icahn Partners Master Fund LP (also referred to as the Icahn Group) recommending that we act expeditiously to engage an investment banking firm to effectuate a spin-off of our Payments segment (referred to as PayPal) into a separately traded company (referred to as the Icahn Proposal), if properly presented before the meeting.

7. To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

These business items are described more fully in the Proxy Statement accompanying this Notice.

Please note that the Icahn Group has notified us that it intends to nominate two Icahn Group employees for election as directors to the eBay Board of Directors at the Annual Meeting in opposition to the nominees recommended by our Board of Directors and to present the Icahn Proposal. You may receive solicitation materials from the Icahn Group, including proxy statements and gold proxy cards. We are not responsible for the accuracy of any information provided by or relating to the Icahn Group or its nominees contained in solicitation materials filed or disseminated by or on behalf of the Icahn Group or any other statements the Icahn Group may make.

The Board of Directors does not endorse any Icahn Group nominee or the Icahn Proposal and unanimously recommends that you vote on the WHITE proxy card or voting instruction form FOR ALL four nominees proposed by the Board of Directors and AGAINST the Icahn Proposal. The Board of Directors strongly urges you not to sign or return any proxy card sent to you by the Icahn Group. If you have previously submitted a gold proxy card sent to you by the Icahn Group, you can revoke that proxy and vote for our Board of Directors nominees and on the other matters to be voted on at the Annual Meeting by using the enclosed WHITE proxy card. Only the latest validly executed proxy that you submit will be counted.

The Board of Directors has fixed the close of business on March 18, 2014 as the record date for identifying those stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement of this meeting.

By Order of the Board of Directors

Michael R. Jacobson
Secretary

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San Jose, California

March 24, 2014

YOUR VOTE IS VERY IMPORTANT

All stockholders are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, you are urged to submit the WHITE proxy card in the envelope provided to you, or to use the Internet or telephone method of voting described in your WHITE proxy card so that your shares can be voted at the Annual Meeting in accordance with your instructions. For specific instructions on voting, please refer to the instructions on the proxy card or voting instruction form.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor at the telephone numbers or address set forth below:

D.F. King & Co., Inc.

48 Wall Street, 22nd Floor

New York, New York 10005

(212) 269-5550 (Call Collect)

or

Call Toll-Free (800) 269-6427

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2014 ANNUAL MEETING OF STOCKHOLDERS

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eBay Inc.



eBay Inc.

2065 Hamilton Avenue

San Jose, California 95125

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND OUR 2014 ANNUAL MEETING

Q: Why am I receiving these materials?

A: eBay's Board of Directors, or the Board, is providing these proxy materials to you in connection with the Board's solicitation of proxies for use at eBay's 2014 Annual Meeting of Stockholders, or the Annual Meeting, which will take place on May 13, 2014. Stockholders are invited to attend the Annual Meeting and are requested to vote on the proposals described in this proxy statement. This proxy statement and the accompanying **WHITE** proxy card are being mailed on or about March 24, 2014 in connection with the solicitation of proxies on behalf of the Board.

[Q: What information is contained in these materials?](#)

A: The information included in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our most highly paid executive officers and our directors, and certain other required information. eBay's 2013 Annual Report, which includes eBay's audited consolidated financial statements, is also enclosed with this proxy statement. These materials also include the **WHITE** proxy card and pre-paid return envelope or voting instruction form for the Annual Meeting. **WHITE** proxy cards are being solicited on behalf of the Board.

[Q: What proposals will be voted on at the Annual Meeting?](#)

A: There are six proposals scheduled to be voted on at the Annual Meeting:

- the election of four director nominees to the Board, each to hold office until our 2015 Annual Meeting of Stockholders (Proposal 1);
- the approval, on an advisory basis, of compensation of our named executive officers (Proposal 2);
- the approval of the amendment and restatement of our 2008 Equity Incentive Award Plan, including to increase the aggregate number of shares authorized for issuance under the plan by 21.6 million shares (Proposal 3);
- the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for our fiscal year ending December 31, 2014 (Proposal 4);
- a stockholder proposal submitted by John Chevedden regarding stockholder action by written consent without a meeting, if properly presented before the meeting (Proposal 5); and
- a stockholder proposal submitted by the Icahn Group recommending that we engage an investment banking firm to effectuate a spin-off of our Payments segment (also referred to as PayPal) into a separately traded company, if properly presented before the meeting (Proposal 6, also referred to as the Icahn Proposal).

[Q: Have other candidates been nominated for election as directors at the Annual Meeting in opposition to the Board's nominees?](#)

A: Yes. The Icahn Group, an eBay stockholder, has notified us that it intends to nominate two Icahn Group employees for election as directors to the eBay Board of Directors at the Annual Meeting in opposition to the nominees recommended by eBay's Board. eBay's Board does not endorse any Icahn Group nominee and unanimously recommends that you vote **FOR ALL** of the nominees proposed by eBay's Board by using the **WHITE** proxy card accompanying this Proxy Statement. The eBay Board strongly urges you not to sign or return any proxy card sent to you by the Icahn Group, which would be on a gold proxy card. If you have previously submitted a proxy card

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sent to you by the Icahn Group, you can revoke that proxy and vote for the eBay Board's nominees and on the other matters to be voted on at the Annual Meeting by using the enclosed **WHITE** proxy card and issuing a later-dated vote.

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At the time this proxy statement was mailed, our management and the Board were not aware of any other matters to be presented at the Annual Meeting other than those set forth in this proxy statement and in the notice accompanying this proxy statement.

Q: What are eBay's Board's voting recommendations?

A: eBay's Board recommends that you vote your shares on your **WHITE** proxy card as follows:

FOR ALL four nominees to the Board named in this proxy statement (Proposal 1);

FOR the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 2);

FOR the approval of the amendment and restatement of our 2008 Equity Incentive Award Plan (Proposal 3);

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for our fiscal year ending December 31, 2014 (Proposal 4);

AGAINST the stockholder proposal submitted by John Chevedden regarding stockholder action by written consent without a meeting (Proposal 5); and

AGAINST the Icahn Proposal (Proposal 6).

eBay's Board strongly urges you not to sign or return any proxy card sent to you by the Icahn Group.

Q: How many shares are entitled to vote?

A: Each share of eBay common stock outstanding as of the close of business on March 18, 2014, the record date, is entitled to one vote at the Annual Meeting. At the close of business on March 18, 2014, 1,267,040,790 shares of common stock were outstanding and entitled to vote. You may vote all of the shares owned by you as of the close of business on the record date of March 18, 2014, and you are entitled to cast one vote per share of common stock held by you on the record date. These shares include shares that are (1) held of record directly in your name, including shares purchased through eBay's equity incentive plans, and (2) held for you as the beneficial owner through a stockbroker, bank, or other nominee.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most stockholders of eBay hold their shares beneficially through a broker, bank, or other nominee rather than directly in their own name. There are some distinctions between shares held of record and shares owned beneficially, specifically:

- **Shares held of record.** If your shares are registered directly in your name with eBay's transfer agent, Computershare Shareowner Services LLC, you are considered the stockholder of record

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with respect to those shares, and these proxy materials are being sent directly to you by eBay. As a stockholder of record, you have the right to grant your voting proxy directly to eBay or to vote in person at the Annual Meeting. eBay has enclosed a **WHITE** proxy card for you to use. You may also submit voting instructions via the Internet or by telephone by following the instructions on the **WHITE** proxy card, as described below under **How can I vote my shares without attending the Annual Meeting?**

- **Shares owned beneficially.** If your shares are held in a stock brokerage account or by a broker, bank, or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank, or other nominee, which is considered the stockholder of record with respect to those shares. As a beneficial owner, you have the right to direct your broker, bank, or other nominee on how to vote the shares in your account, and you are also invited to attend the Annual Meeting. However, because you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you request and receive a valid proxy from your broker, bank, or other nominee. **Given the contested nature of the election, your broker, bank, or other nominee will only be able to vote your shares with respect to any proposals at the Annual Meeting if you have instructed them how to vote. Your broker, bank, or other nominee has enclosed a voting instruction form for you to use to direct the broker, bank, or other nominee regarding how to vote your shares. Please instruct your broker, bank, or other nominee how to vote your shares using the voting instruction form you received from them. Please return your completed WHITE proxy card or voting instruction form to your broker, bank or other nominee and contact the person responsible for your account so that your vote can be counted. If your broker, bank, or other nominee permits you to provide voting instructions via the Internet or by telephone, you may vote that way as well.**

Q: Can I attend the Annual Meeting?

A:

You are invited to attend the Annual Meeting if you are a stockholder of record or a beneficial owner as of March 18, 2014. All stockholders must bring proof of identification. If you are a stockholder of record, your name will also be verified against the list of stockholders of record prior to admittance to the Annual Meeting. If you hold your shares through a broker, bank, or other nominee, you will need to provide proof of ownership by bringing either a copy of the voting instruction form provided by your broker or a copy of a brokerage statement showing your share ownership as of March 18, 2014. Whether or not you attend the Annual Meeting, the event will be made available via webcast on our investor relations website at <http://investor.ebayinc.com>, and the webcast will be archived for a period of 90 days following the date of the Annual Meeting. Since seating may be limited, admission to the Annual Meeting will be on a first-come, first-served basis.

Q: How can I vote my shares in person at the Annual Meeting?

A: Shares held directly in your name as the stockholder of record may be voted in person at the Annual Meeting. If you choose to vote in person, please bring proof of identification. Even if you plan to attend the Annual Meeting, eBay recommends that you submit a proxy using the **WHITE** proxy card with respect to the voting of your shares in advance as described below under **How can I vote my shares without attending the Annual Meeting** so that your vote will be counted if you later decide not to attend the Annual Meeting. Shares held in street name through a brokerage account or by a broker, bank, or other nominee may be voted in person by you only if you obtain a valid proxy from your broker, bank, or other nominee giving you the right to vote the shares.

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Q: [How can I vote my shares without attending the Annual Meeting?](#)

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may vote by proxy or submit a voting instruction form without attending the Annual Meeting. If you hold your shares directly as the stockholder of record, you may submit your proxy in favor of the Board's recommendations via the Internet or by telephone by following the instructions on the **WHITE** proxy card, or by completing and mailing the **WHITE** proxy card in the enclosed pre-paid envelope. If you hold your shares beneficially in street name, your broker or bank may offer voting via the Internet or by telephone or you may mail your **WHITE** proxy card or voting instruction form in the enclosed pre-paid envelope. Please refer to the enclosed materials for details.

Q: [What should I do if I receive a proxy card from the Icahn Group?](#)

A: The Icahn Group has notified us that it intends to nominate two Icahn Group employees for election as directors to the eBay Board of Directors at the Annual Meeting in opposition to the nominees recommended by eBay's Board and to present the Icahn Proposal at the Annual Meeting. If the Icahn Group proceeds with its alternative nominations or the Icahn Proposal, you may receive proxy solicitation materials from the Icahn Group, including an opposition proxy statement and gold proxy card. eBay is not responsible for the accuracy of any information contained in any proxy solicitation materials used by the Icahn Group or any other statements that it may otherwise make.

eBay's Board does not endorse any Icahn Group nominee and opposes the Icahn Proposal and unanimously recommends that you disregard any proxy card or solicitation materials that may be sent to you by the Icahn Group. Voting to WITHHOLD with respect to any of the Icahn Group's nominees on its proxy card is not the same as voting for the eBay Board's nominees because a vote to WITHHOLD with respect to any of the Icahn Group's nominees on its proxy card will revoke any proxy you previously submitted. If you have already voted using the gold proxy card, you have every right to change your vote by voting via the Internet or by telephone by following the instructions on the WHITE proxy card, or by completing and mailing the enclosed WHITE proxy card in the enclosed pre-paid envelope. Only the latest validly executed proxy that you submit will be counted – any proxy may be revoked at any time prior to its exercise at the Annual Meeting by following the instructions under [Can I change my vote or revoke my proxy?](#) If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, D.F. King & Co., Inc., toll free at (800) 269-6427 or collect at (212) 269-5550.

Q: [Can I change my vote or revoke my proxy?](#)

A: If you are the stockholder of record, you may change your proxy instructions or revoke your proxy at any time before your proxy is voted at the Annual Meeting. Proxies may be revoked by any of the following actions:

- filing a timely written notice of revocation with our Corporate Secretary at our principal executive office (2065 Hamilton Avenue, San Jose, California 95125);
- submitting a new proxy at a later date via the Internet, by telephone, or by mail to our Corporate Secretary at our principal executive office; or
- attending the Annual Meeting and voting in person (attendance at the Annual Meeting will not, by itself, revoke a proxy).

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If your shares are held in a brokerage account by a broker, bank, or other nominee, you should follow the instructions provided by your broker, bank, or other nominee.

If you have previously signed a proxy card sent to you by the Icahn Group, you may change your vote by voting via the Internet or by telephone by following the instructions on your **WHITE** proxy card, or by completing and mailing the enclosed **WHITE** proxy card in the enclosed pre-paid envelope. Submitting a gold proxy card sent to you by the Icahn Group will revoke votes you have previously made via eBay's **WHITE** proxy card.

Only the latest validly executed proxy that you submit will be counted.

Q: How are votes counted?

A: You may vote **FOR** or **WITHHOLD** with respect to each of the nominees for director. Only votes cast **FOR** a nominee will be counted in the election of directors. Proxy cards specifying that votes should be withheld with respect to one or more nominees will result in these nominees receiving fewer votes.

You may vote **FOR**, **AGAINST**, or **ABSTAIN** with respect to the proposal to approve, on an advisory basis, the compensation of our named executive officers, the proposal to approve the amendment and restatement of our 2008 Equity Incentive Award Plan, the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors, the stockholder proposal regarding stockholder action by written consent without a meeting, and the Icahn Proposal. If you elect to abstain from voting on any of these proposals, the abstention will have the same effect as an **AGAINST** vote with respect to such proposal.

If you sign and return your **WHITE** proxy card without giving specific voting instructions, your shares will be voted as recommended by our Board and in accordance with the discretion of the persons named on the **WHITE** proxy card the respect to any other matters to be voted upon at the Annual Meeting. If you are a beneficial holder and do not return a voting instruction form, your broker may not vote on any of the matters to be presented at the Annual

Meeting.

Q: Who will count the votes?

A: First Coast Results Inc. will tabulate the votes for eBay and IVS Associates, Inc. will act as the inspector of election.

Q: What is the quorum requirement for the Annual Meeting?

A: The quorum requirement for holding the Annual Meeting and transacting business is a majority of the outstanding shares entitled to be voted at the Annual Meeting. The shares may be present in person or represented by proxy at the Annual Meeting. Abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

Q: What is the voting requirement to approve each of the proposals?

A: With respect to the election of directors, our Bylaws provide that in a contested election, the director nominees receiving the highest number of FOR votes will be elected at the Annual Meeting. WITHHOLD votes will be counted as present for purposes of this vote but are not counted as votes cast. We expect the 2014 Annual Meeting to be a contested election, as

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defined in our Bylaws, because the Icahn Group has notified us that it intends to nominate two Icahn Group employees for election as directors to the eBay Board of Directors at the Annual Meeting in opposition to the nominees recommended by eBay's Board.

However, the election will be uncontested in the event the Icahn Group withdraws its nominees and the Board rescinds its determination that the Annual Meeting is contested at least 20 days prior to the date of the 2014 Annual Meeting as initially announced. In an uncontested election, our Bylaws provide for majority voting in elections of directors. In such case, each director must be elected by the affirmative vote of a majority of the votes cast with respect to such director by the shares of common stock present in person or represented by proxy and entitled to vote. A majority of votes cast means that the number of votes FOR a director nominee must exceed the number of votes AGAINST that director nominee. In both contested and uncontested elections for directors, if you are a beneficial owner and do not provide the stockholder of record with voting instructions, your shares will constitute broker non-votes (see [What are broker non-votes and what effect do they have on the proposals?](#) below).

The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote is required to approve each of the following proposals: the approval, on an advisory basis, of the compensation of our named executive officers, the amendment and restatement of our 2008 Equity Incentive Award Plan, the ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors, the stockholder proposal regarding stockholder action by written consent without a meeting, and the Icahn Proposal. Abstentions will be counted as present for purposes of this vote and will have the effect of a vote against these proposals. Broker non-votes will not be counted as present and are not entitled to vote on the proposals. Because your vote on the compensation of our named executive officers and the stockholder proposals are advisory, it will not be binding on the Company, the Board or any of the Board's committees. However, the Board and appropriate Board committees will review the voting results and take them into consideration when making future decisions regarding compensation of our named executive officers and the matters covered by the stockholder proposals.

Q: [What happens if a nominee who is duly nominated does not receive a majority vote?](#)

A: Assuming that the 2014 Annual Meeting involves a contested election of directors where there are more nominees than director positions up for election, the four nominees receiving the highest number of FOR votes will be elected. In the event that the Icahn Group withdraws its nominees and the Board rescinds its determination that the Annual Meeting is contested at least 20 days prior to the date of the 2014 Annual Meeting as initially announced, the election of directors will be uncontested. Each current director who is standing for re-election at the Annual Meeting has tendered an irrevocable resignation from the Board that will become effective if (1) the election is uncontested and (2) the Corporate Governance and Nominating Committee or another committee of the Board determines to accept such resignation after the director fails to receive a majority of votes cast. This determination will be made within 90 days of the Annual Meeting and will be publicly reported promptly after it is made.

Q: [What are broker non-votes and what effect do they have on the proposals?](#)

A: Generally, broker non-votes occur when shares held by a broker, bank, or other nominee in street name for a beneficial owner are not voted with respect to a particular proposal because the broker, bank, or other nominee (1) has not received voting instructions from the beneficial owner and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal.

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In an uncontested situation, a broker is entitled to vote shares held for a beneficial owner on routine matters without instructions from the beneficial owner of those shares. However, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on non-routine matters, such as the election of our directors (Proposal 1), the vote, on an advisory basis, of the compensation of our named executive officers (Proposal 2), the amendment and restatement of our 2008 Equity Incentive Award Plan (Proposal 3), the stockholder proposal regarding stockholder action by written consent without a meeting (Proposal 5), or the Icahn Proposal (Proposal 6).

Given the contested nature of the election, the rules of the New York Stock Exchange governing brokers discretionary authority which apply to brokers authority with respect to companies listed on the NASDAQ do not permit brokers to exercise discretionary authority regarding any of the proposals to be voted on at the Annual Meeting, whether routine or not.

If you hold your shares in street name, it is critical that you cast your vote and instruct your bank, broker, or other nominee on how to vote if you want your vote to count at the Annual Meeting. If you hold your shares in street name and you do not instruct your broker, bank, or other nominee how to vote on the proposals to be voted on at the Annual Meeting, no votes will be cast on your behalf.

Broker non-votes, if any, will not be counted for purposes of determining the number of shares represented and voted with respect to an individual proposal, and therefore will have no effect on the outcome of the vote on an individual proposal. Thus, if you do not give your broker specific voting instructions, your shares will not be voted on the proposals to be voted on at the Annual Meeting and will not be counted in determining the number of shares necessary for approval.

[Q: What does it mean if I receive more than one WHITE proxy card or voting instruction form?](#)

A: It generally means your shares are registered differently or are in more than one account. Please provide voting instructions for each **WHITE** proxy card or, if you vote via the Internet or by telephone, vote once for each **WHITE** proxy card you receive to ensure that all of your shares are voted.

If the Icahn Group proceeds with its previously announced alternative director nominations or the Icahn Proposal, you will likely receive multiple mailings from the Icahn Group, and we will likely conduct multiple mailings prior to the date of the Annual Meeting so that stockholders have our latest proxy information and materials to vote. We will send you a new **WHITE** proxy card with each mailing, regardless of whether you have previously voted. Only the latest validly executed proxy you submit will be counted. If you wish to vote as recommended by the eBay Board, you should only submit the **WHITE** proxy cards. Please see [What do I do if I receive a proxy card from the Icahn Group?](#) above for more information.

[Q: Where can I find the voting results of the Annual Meeting?](#)

A: We will publish the voting results in a Current Report on Form 8-K subsequent to the Annual Meeting.

[Q: Who will bear the cost of soliciting votes for the Annual Meeting?](#)

A: eBay will pay the entire cost of preparing, assembling, printing, mailing, and distributing these proxy materials. eBay will also bear the cost of soliciting proxies on behalf of the eBay Board.

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eBay will provide copies of these proxy materials to banks, brokerage houses, fiduciaries, and custodians holding in their names shares of our common stock beneficially owned by others so that they may forward these proxy materials to the beneficial owners. eBay has retained the services of D.F. King & Co., Inc., a professional proxy solicitation firm, to aid in the solicitation of proxies. This proxy solicitation firm estimates that approximately 150 of its employees will assist in this proxy solicitation, which they may conduct by personal interview, mail, telephone, facsimile, email, other electronic channels of communication, or otherwise. eBay expects that it will pay D.F. King its customary fees, estimated not to exceed approximately \$2,000,000 in the aggregate, plus reasonable out-of-pocket expenses incurred in the process of soliciting proxies. eBay's aggregate expenses related to the solicitation, including those of D.F. King as well as for printing and mailing materials to eBay stockholders, in excess of those normally spent for an annual meeting as a result of the potential proxy contest and excluding salaries and wages of our officers and regular employees, are expected to be approximately \$6,500,000, of which approximately \$100,000 has been spent to date. eBay has agreed to indemnify D.F. King against certain liabilities relating to or arising out of their engagement. In addition, eBay may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners.

Solicitations may also be made by personal interview, mail, telephone, facsimile, email, Twitter, other electronic channels of communication, in particular LinkedIn, eBay's investor relations website, eBay's Annual Meeting website, located at <https://bettertogether.ebayinc.com>, other eBay-hosted websites and blogs, or otherwise by directors, officers, and other employees of eBay, but eBay will not additionally compensate its directors, officers, or other employees for these services. Appendix B sets forth information relating to certain of our directors, officers, and employees who are considered participants in this proxy solicitation under the rules of the Securities and Exchange Commission, or SEC, by reason of their position or because they may be soliciting proxies on our behalf.

Q: May I propose actions for consideration at next year's Annual Meeting or nominate individuals to serve as directors?

A: You may submit proposals for consideration at future annual stockholder meetings. To be considered for inclusion in the proxy materials for our 2015 Annual Meeting of Stockholders, your proposal must be received by our Corporate Secretary at our principal executive office no later than November 24, 2014. Your proposal must comply with the procedures and requirements set forth in Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Your proposal should be sent via registered, certified or express mail to our Corporate Secretary at our principal executive office (2065 Hamilton Avenue, San Jose, California 95125); no facsimile submissions will be accepted. A stockholder proposal or a nomination for director that is received after this date will not be included in our proxy statement and proxy card, but will otherwise be considered at the 2015 Annual Meeting of Stockholders so long as it is submitted to our Corporate Secretary at our principal executive office no earlier than January 13, 2015 and no later than February 12, 2015 and otherwise in accordance with our Bylaws. We advise you to review our Bylaws, which contain these and other requirements with respect to advance notice of stockholder proposals and director nominations, including certain information that must be included concerning the stockholder and each proposal and nominee. Our Bylaws were filed with the SEC on Form 8-K on April 27, 2012, and can be viewed by

visiting our investor relations website at <http://investor.ebayinc.com/sec.cfm>. You may also obtain a copy by writing to our Corporate Secretary at our principal executive office (2065 Hamilton Avenue, San Jose, California 95125).

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Q: How can I get electronic access to the Proxy Statement and Annual Report?

A: This proxy statement and our 2013 Annual Report may be viewed online on our investor relations website at <http://investor.ebayinc.com/annuals.cfm>. You can also elect to receive an email that will provide an electronic link to future annual reports and proxy statements rather than receiving paper copies of these documents. Choosing to receive your proxy materials electronically will save us the cost of printing and mailing documents to you. You can choose to receive future proxy materials electronically by visiting our investor relations website at <http://investor.ebayinc.com/annuals.cfm>. If you choose to receive future proxy materials electronically, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your choice to receive proxy materials electronically will remain in effect until you contact eBay Investor Relations and tell us otherwise. You may visit our investor relations website at <http://investor.ebayinc.com> or contact eBay Investor Relations by mail at 2065 Hamilton Avenue, San Jose, California 95125 or by telephone at 866-696-3229.

Q: How do I obtain a separate set of proxy materials if I share an address with other stockholders?

A: To reduce expenses, in some cases, we are delivering one set of proxy materials to certain stockholders who share an address, unless otherwise requested. A separate **WHITE** proxy card is included in the proxy materials for each of these stockholders. If you reside at such an address and wish to receive a separate copy of the proxy materials, including our annual report, you may contact eBay Investor Relations at the website, address, or phone number in the previous paragraph. You may also contact eBay Investor Relations if you would like to receive separate proxy materials in the future or if you are receiving multiple copies of our proxy materials and would like to receive only one copy in the future.

Q: How can I obtain an additional **WHITE proxy card or voting instruction form?**

A: If you lose, misplace, or otherwise need to obtain a **WHITE** proxy card or voting instruction form and:

- you are a stockholder of record, contact eBay Investor Relations by mail at 2065 Hamilton Avenue, San Jose, California 95125 or by telephone at 866-696-3229; or

- you are the beneficial owner of shares held indirectly through a broker, bank, or other nominee, contact your account representative at that organization.

You may also contact our proxy solicitor D.F. King at (212) 269-5550 (Call Collect) or (800) 269-6427 (Toll Free).

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BACKGROUND OF THE SOLICITATION

On January 16, 2014, eBay received a notice from the Icahn Group indicating that it intended to nominate two Icahn Group employees to stand for election as directors to the eBay Board of Directors at eBay's 2014 Annual Meeting. The notice also included a precatory proposal recommending that eBay act expeditiously to engage an investment banking firm to effectuate a spin-off of eBay's Payments segment into a separately traded company.

On January 17, 2014, the Icahn Group notified eBay by letter that it had filed a notice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or HSR Act, to enable the Icahn Group to acquire more than \$700 million of eBay's common stock, including any shares that the Icahn Group may already own. On each of January 17 and January 22, 2014, Carl Icahn and John Donahoe, eBay's President and Chief Executive Officer, had telephone conversations concerning the Icahn Group's perspectives on eBay and the upcoming annual meeting. No agreements or understandings resulted from these conversations.

On January 22, 2014, in connection with eBay's earnings release and associated conference call, eBay publicly announced that it had received the notice from the Icahn Group regarding the 2014 Annual Meeting.

On February 11, 2014, the Icahn Group delivered to eBay an update to its January 16, 2014 notice that included revised biographical information regarding one of the Icahn Group's proposed nominees and indicated that the Icahn Group had acquired call options that conferred beneficial ownership of approximately 2.15% of eBay's outstanding common stock.

On February 18, 2014, the Federal Trade Commission granted early termination of the HSR Act waiting period to the Icahn Group. Later that day, the Icahn Group notified eBay by letter that it had exercised its call options resulting in the Icahn Group having beneficial ownership of approximately 2.15% of eBay's outstanding common stock.

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On February 22, 2014, Mr. Icahn spoke with Mr. Donahoe by telephone and indicated that absent a negotiated resolution to the Icahn Group's contested proxy solicitation, the Icahn Group intended to publish an open letter to eBay stockholders on the following Monday, February 24, 2014 and make other communications to eBay stockholders through similar means.

On February 24, 2014, the Icahn Group issued an open letter to eBay stockholders that contained various allegations regarding eBay's Board and seeking support for the Icahn Proposal. eBay responded later that day with a press release stating that the Board welcomed discussion of the Icahn Proposal and rebutting the allegations contained in the Icahn Group's letter.

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On February 26, 2014, the Icahn Group submitted a demand to inspect the Company's books and records pursuant to Section 220 of the Delaware General Corporation Law (the "Icahn Demand") and on February 28, 2014 submitted a demand to inspect certain eBay stocklist materials. eBay subsequently offered by letter to provide the Icahn Group with documents responsive to their Section 220 demands. Representatives of the Icahn Group and eBay have engaged in discussions regarding the arrangements to provide such materials.

On March 1, 2014, Mr. Donahoe and Mr. Icahn spoke by telephone. Mr. Icahn indicated that he intended to release an "open letter" to eBay stockholders on the following Monday and had considered commencing litigation in the Delaware Court of Chancery to seek access to the materials referenced in the Icahn Demand. Mr. Donahoe and Mr. Icahn subsequently had an in-person meeting on March 4 during which additional representatives of both parties were present. Mr. Donahoe and Mr. Icahn discussed the Icahn Group's proposal to spin-off PayPal from the rest of eBay's businesses.

In early March 2014, Mr. Donahoe and Mr. Icahn spoke by telephone and subsequently had an in-person meeting during which additional representatives of both parties were present.

Throughout January, February and March, the Icahn Group and the Company published various solicitation materials. The Company's solicitation materials were filed under the cover of Schedule 14A on the date they were first sent to eBay stockholders.

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CORPORATE GOVERNANCE

The Board is responsible for the oversight of the Company's executive management to ensure the Company operates in ways that support the long-term interest of our stockholders and the stakeholders we serve. To do this effectively, the Company has established clear and specific Governance Guidelines for the eBay Board (referred to as Corporate Governance Guidelines) that, along with Board committee charters and our Code of Business Conduct and Ethics, (referred to as our Code of Business Conduct) provides the framework for the governance of the Company.

The following is a list of best-in-class governance provisions that demonstrate eBay's commitment to transparency and accountability:

- ü Strong board independence (9 of 11 directors are independent)

- ü Majority vote standard for director elections

- ü Separate Chairman and CEO roles

- ü Simple majority vote standard for bylaw/charter amendments and transactions

- ü Lead Independent Director with robust responsibilities

üClawback policy

üAnnual election of directors*

üStock ownership requirements

üStockholder right to call a special meeting

üStrong stockholder engagement practices

üAnti-hedging policy

* In April 2012, our stockholders approved our proposed amendment to our Amended and Restated Certificate of Incorporation to declassify the Board and move to annual elections of directors. As a result, the terms of all of our directors (including those elected at the 2014 Annual Meeting) will expire at the 2015 Annual Meeting, and all Board members will stand for annual election beginning with our 2015 Annual Meeting.

A complete copy of our Corporate Governance Guidelines, the charters of our principal Board committees, and our Code of Business Conduct can be found on our investor relations website at <http://investor.ebayinc.com/governance.cfm>. Any changes in these governance documents will be reflected in the same location on our website. Keep in mind that information contained on our website is not part of this proxy statement.

OUR CORPORATE GOVERNANCE PRACTICES

We believe that strong corporate governance practices that provide meaningful rights to our stockholders and ensure board accountability are key to our relationship with our stockholders. To help our stockholders understand our commitment to this relationship and our governance practices, the Board has adopted a set of Corporate Governance Guidelines to set a framework within which the Board will conduct its business. Our Corporate Governance Guidelines can be found on our investor relations website at <http://investor.ebayinc.com/governance.cfm> and are summarized below along with certain other of our governance practices.

Independence. The rules of the Nasdaq Global Select Market require listed companies to have a board of directors with at least a majority of independent directors. These rules have both objective tests and a subjective test for determining who is an independent director. The objective tests state, for example, that a director is not considered independent if he or she is an employee of the Company, or is a partner in, or a controlling stockholder or executive officer of, an entity to which the Company made, or from which the Company received, payments in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenue for that year. The subjective test requires our Board to affirmatively determine that a director does not have a relationship that would interfere with the director's exercise of independent judgment in carrying out his or her responsibilities. On an annual basis, each member of our Board is required to complete a questionnaire designed to provide information to assist the Board in determining whether the director is independent under the listing standards of the Nasdaq Global Select Market and our Corporate Governance Guidelines (and for members of our Audit Committee and Compensation Committee, whether the director satisfies additional SEC and Nasdaq independence requirements). Our Board has adopted guidelines setting forth certain categories of transactions, relationships, and arrangements that it has deemed immaterial for purposes of making its determination regarding a director's independence, and does not consider any such transactions, relationships, and arrangements in making its subjective determination.

Our Board has determined that each of the following directors is independent under the listing standards of the Nasdaq Global Select Market and under eBay's Corporate Governance Guidelines: Mr. Anderson, Mr. Andreessen, Mr. Barnholt, Mr. Cook, Mr. Ford, Ms. Mitic, Mr. Moffett, Mr. Schlosberg, and Mr. Tierney.

The Board limits membership on the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee to independent directors. Our Corporate Governance Guidelines require any director who has previously been determined to be independent to inform the Lead Independent Director and our Corporate Secretary of any change in his or her principal occupation or status as a member of the Board of any other public company, or any change in circumstance that may cause his or her status as an independent director to change.

Leadership Structure and Lead Independent Director. In accordance with our Bylaws, our Board elects our Chairman and our Chief Executive Officer, or CEO. Our Corporate Governance Guidelines require that the roles of Chairman and CEO be held by separate individuals. Mr. Omidyar currently serves as our Chairman. The Board believes that the separation of the offices of the Chairman and CEO is appropriate as it aids in the Board's oversight of management and it allows our CEO to focus primarily on his management responsibilities.

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Our independent directors have also designated a Lead Independent Director. Mr. Tierney is currently the Lead Independent Director, having been appointed to a two-year term beginning at the conclusion of our 2012 Annual Meeting that will expire following our 2014 Annual Meeting. The Lead Independent Director's roles and responsibilities are detailed in the Corporate Governance Guidelines and include:

Coordinating with the CEO and Chairman to develop meeting agenda and approving final meeting agenda, ensuring there is sufficient time to discuss all agenda items;

Advising on the materials sent to the Board, including but not limited to the scope, quality and timeliness of the information, and approving final meeting materials;

Calling closed sessions of the independent directors;

Chairing closed sessions of the independent directors;

Leading Board meetings in the absence of the Chairman;

Serving as liaison between the Chairman and the independent directors;

If requested by major stockholders, ensuring that he is available for consultation and direct communication; and

Leading the annual Board self-assessment, including acting on director feedback as needed.

In addition, the Lead Independent Director, together with the chair of the Corporate Governance and Nominating Committee, conducts interviews to confirm the continued qualification and willingness to serve of each director whose term is expiring at an annual meeting prior to the time at which directors are nominated for re-election.

Committee Responsibilities. Board committees help the Board run effectively and efficiently, but do not replace the oversight of the Board as a whole. There are currently three principal Board committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee. Each committee meets regularly and has a written charter that has been approved by the Board. In addition, at each regularly scheduled Board meeting, a member of each committee reports on any significant matters addressed by the committee since the last Board meeting. Each committee performs an annual self-assessment to evaluate its effectiveness in fulfilling its obligations. In addition to our formal committee structure, directors with an interest and background in technology meet regularly with our senior technologists and report significant matters to the Board. The directors that do this regularly are Mr. Andreessen, Mr. Cook, Ms. Mitic, and Mr. Omidyar.

Role in Risk Oversight. Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic, financial, legal and regulatory, operational, and other risks, such as the impact of competition. Management is responsible for the day-to-day management of the risks that we face, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board is responsible for satisfying itself that the risk management framework and supporting processes as implemented by management are adequate and functioning as designed.

Audit Committee's Role in Risk Oversight. While the Board is ultimately responsible for risk oversight at eBay, the Board has delegated to the Audit Committee the primary responsibility for the oversight of risks facing our businesses. The Audit Committee's charter provides that it will discuss our major risk exposures, including financial, operational, privacy, security, competition, and legal and regulatory risks, and the steps we have taken to detect, monitor and actively manage such exposures. The Audit Committee reviews with our Senior Vice President, Legal Affairs significant legal, compliance, and regulatory matters that could have a material impact on our financial statements or our business, including material notices to or inquiries received from governmental agencies. We also have embedded an enterprise risk management, or ERM, program across our core businesses, which is aligned with our Company-wide initiative that involves the Audit Committee, management and other personnel. The ERM

framework is designed to identify, assess, prioritize, and manage our major risk exposures which could affect our ability to execute on our

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corporate strategy and fulfill our business objectives. The ERM program is designed to enable the Audit Committee to establish a mutual understanding with management of the effectiveness of the Company's risk management practices and capabilities, to review the Company's risk exposure and risk tolerance, and to elevate certain key risks for oversight at the Board level.

Management's Role in Risk Oversight. Our Vice President, Chief Audit Executive, or CAE, is responsible for our internal audit function and our risk governance framework, which includes risk assessment, monitoring, and reporting. The CAE reports directly to the Audit Committee, and the Audit Committee reviews and evaluates the CAE's appointment, compensation, and performance and provides the CAE with direct access to the Audit Committee. The CAE facilitates the Audit Committee's review and approval of the internal audit plan and provides regular reporting on audit activities. In addition, through consultation with management, the CAE periodically assesses the major risks facing eBay and coordinates with the executives responsible for such risks through the risk governance process. The CAE periodically reviews with the Audit Committee the major risks facing eBay and the steps management has taken to detect, monitor, and manage those risks within the agreed risk tolerance. The executive responsible for managing a particular risk may also report to the Audit Committee on how the risk is being managed and progress towards agreed mitigation goals.

In addition to the general oversight responsibility that has been delegated to the Audit Committee, other committees review the risks within their areas of responsibility and expertise. For example, the Compensation Committee reviews the risks associated with our compensation policies and practices and our succession planning process and the Corporate Governance and Nominating Committee reviews the risks associated with our overall corporate governance.

Risk Assessment of Compensation Policies and Practices. We have assessed the compensation policies and practices for our employees and concluded that they do not create risks that are reasonably likely to have a material adverse effect on the Company. This analysis was presented to the Audit Committee and the Compensation Committee, both of which agreed with this conclusion.

Corporate Hotline. We have established a corporate hotline (operated by a third party) to allow any employee to confidentially and anonymously (where legally permissible) lodge a complaint about any accounting, internal control, auditing, or other matters of concern.

Stockholder Communication. eBay has a practice of regularly engaging with stockholders to seek their feedback.

Stockholders may also communicate with the Board or individual directors care of the Corporate Secretary, eBay Inc., 2065 Hamilton Avenue, San Jose, California 95125. The Corporate Governance and Nominating Committee has delegated responsibility for initial review of stockholder communications to our Corporate Secretary. This process assists the Board in reviewing and responding to stockholder communications in an appropriate manner. The Corporate Governance and Nominating Committee has instructed our Corporate Secretary to review correspondence directed to the Board and its principal committees and, at his discretion, not to forward items solely related to complaints by users with respect to ordinary course of business customer service and satisfaction issues, or that he deems to be of a commercial or frivolous nature or otherwise inappropriate for the Board's or its committees

consideration.

Attendance at Annual Meetings. Absent exigent circumstances, all directors are expected to attend eBay's annual meeting of stockholders in person or by telephone or video call. Except for Mr. Andreessen, all of our directors serving on our Board at the time of our last annual meeting of stockholders, which was held in April 2013, attended that meeting.

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Formal Closed Sessions of Outside Directors. As part of each regularly scheduled Board meeting, the outside directors have the opportunity to meet without our management or the other directors. The Lead Independent Director leads such discussions.

Board Compensation. Board compensation is determined by the Compensation Committee, and consists of a mixture of equity compensation and cash compensation. Board compensation is reviewed annually by the Compensation Committee. A more detailed description of current Board compensation can be found under the heading Compensation of Directors below.

Stock Ownership Guidelines. Our Board has adopted stock ownership guidelines to better align the interests of our directors and executive officers with the interests of our stockholders and further promote our commitment to sound corporate governance. Under these guidelines, our executive officers are required to achieve ownership of eBay common stock valued at three times their annual base salary (five times in the case of our CEO). Our non-employee directors are required to achieve ownership of eBay common stock valued at three times the amount of the annual retainer payable to such director within three years of joining the Board, or in the case of directors serving at the time the guidelines were initially adopted, within three years of the date of adoption of the guidelines. Shares of eBay common stock pledged as collateral for a loan do not count towards satisfaction of the stock ownership guidelines. Our stock ownership guidelines can be found on our investor relations website at <http://investor.ebayinc.com/governance.cfm>.

The ownership levels of our executive officers and directors as of March 3, 2014 are set forth in the section entitled Security Ownership of Certain Beneficial Owners and Management below.

Hedging Policy. The Company's insider trading policy prohibits directors, officers, and other employees from entering into any hedging or monetization transactions relating to our securities or otherwise trading in any instrument relating to the future price of our securities, such as a put or call option, futures contract, short sale, collar, or other derivative security.

The Compensation Committee annually reviews the extent to which each executive officer and director of the Company has pledged shares of eBay common stock as collateral for any loans. In conducting such review, the Compensation Committee considers the magnitude of the aggregate number of shares of eBay common stock that are pledged by such executive officer or director of the Company in terms of total shares of eBay common stock outstanding, market value, and/or trading volume; the executive officer's or director's pledged shares as a percentage of his/her total ownership of eBay common stock and in relation to such executive officer's or director's net worth; the fact that the Company's stock ownership guidelines do not include pledged Company stock; and any other relevant factors.

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Clawbacks. In 2012, we implemented changes to the eBay Incentive Plan and the Company's equity incentive plans to provide that awards made under those plans are subject to a clawback provision. In January 2014, the terms of the clawback were adopted by the Compensation Committee subject to amendment to comply with the SEC rules to be issued in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act.

Outside Advisors. The Board and each of its principal committees may retain outside advisors of their choosing at the Company's expense. The Board need not obtain management's consent to retain outside advisors. In addition, the principal committees need not obtain either the Board's or management's consent to retain outside advisors.

Conflicts of Interest. We expect our directors, executive officers, and other employees to conduct themselves with the highest degree of integrity, ethics, and honesty. Our credibility and reputation depend upon the good judgment, ethical standards, and personal integrity of each director, executive officer, and other employee. Our Corporate Governance Guidelines prohibit directors from serving on the board, or in a senior executive role, of another company that would create a significant conflict of interest. Our Code of Business Conduct requires that directors, executive officers, and other employees disclose actual or potential conflicts of interest and recuse themselves from related decisions. In order to better protect us and our stockholders, we regularly review our Code of Business Conduct and related policies to ensure that they provide clear guidance to our directors, executive officers, and other employees.

The Company also has practices that address potential conflicts in circumstances where a non-employee director is a control person of an investment fund that desires to make an investment in or acquire a company that competes with one of the Company's businesses. Under those circumstances, the director is required to notify the Company's CEO and General Counsel of the proposed transaction, and the Company's senior management then assesses the nature and degree to which the investee company is competitive with the Company's businesses, as well as the potential overlaps between the Company and the investee company. If the Company's senior management determines that the competitive situation and potential overlaps between eBay and the investee company are acceptable, approval of the transaction by the Company would be conditioned upon the director agreeing to certain limitations (including refraining from joining the board of directors of the investee company or conveying any confidential or proprietary material between the Company and the investee company, abstaining from being the primary decision-maker for the investment fund with respect to the investee company, and recusing himself/herself from portions of Company board meetings that contain competitive information reasonably pertinent to the investee company). All transactions by investment funds in which a non-employee director is a control person also remain subject in all respects to the Board's written policy for the review of related person transactions, discussed under the section entitled "Certain Transactions with Directors and Officers" below.

Board Effectiveness; Director Assessment; Board Education. It is important that the Board and its committees are performing effectively and in the best interest of the Company and its stockholders. The Board performs an annual self-assessment, led by the Lead Independent Director, to evaluate its effectiveness in fulfilling its obligations. As part of this annual self-assessment, directors are able to provide feedback on the performance of other directors. The Lead Independent Director then follows up on this feedback and takes such further action with directors receiving comments and other directors as he or she deems appropriate. In addition, the Company provides membership in the National Association of Corporate Directors to all Board members to assist them in remaining current with exemplary

board and committee practices and developments in corporate governance.

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Succession Planning. The Board recognizes the importance of effective executive leadership to eBay's success. We conduct an annual review process that includes succession plans for our senior leadership positions. These succession plans are reviewed and approved by our CEO, and details on these succession plans, including potential successors for members of our executive staff (including the CEO), are presented to the Board. In addition, the Board reviews and updates our CEO succession plan, which includes formal criteria for the CEO position used to evaluate potential successors and addresses the possibility of an emergency situation. In conducting this review, the Board considers, among other factors, organizational and operational needs, competitive challenges, leadership/management potential and development, and emergency situations.

The Board has also developed a set of guiding principles relating to Board membership. The Board believes that as the Company's businesses and industries change, the Board must add members with highly relevant professional experience. In addition, the Board believes that a certain amount of director turnover is to be expected and desirable, and while it does not have term limits, the Board believes that at least nine to twelve years will generally be the expected time commitment from any individual director.

Auditor Independence. We have taken a number of steps to ensure continued independence of our outside auditors. Our independent auditors report directly to the Audit Committee, and we limit the use of our auditors for non-audit services. The fees for services provided by our auditors in 2013 and 2012 and our policy on pre-approval of non-audit services are described under "Proposal 4 Ratification of Appointment of Independent Auditors" below.

BOARD COMMITTEES AND MEETINGS

During 2013, our Board held five meetings, and each Board member attended at least 75% of the aggregate of all of our Board meetings and committee meetings for committees on which such director served. The Board has three principal committees: the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee.

Audit Committee

Our Board has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our Audit Committee consists of Mr. Anderson, Mr. Moffett, and Mr. Schlosberg, each of whom is independent in accordance with the rules and regulations of the Nasdaq Global Select Market and the SEC. Mr. Anderson is the chairman of the committee. The Audit Committee met eight times during 2013. Dawn Lepore was a member of the committee until she resigned from the Board in January 2013. The primary responsibilities of the Audit Committee are to meet with our independent auditors to review the results of the annual audit and to discuss our financial statements, including the independent auditors' judgment about the quality of accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in our financial statements, our internal control over financial reporting, and management's report with respect to internal control over financial reporting. Additionally, the Audit Committee meets with our independent auditors to review the interim financial statements prior to the filing of our Quarterly Reports on Form 10-Q, recommends to the Board the independent auditors to be retained by us, oversees the independence of the independent auditors, evaluates the independent auditors' performance, reviews and approves the fees of the independent auditors, and receives and considers the independent auditors' comments as to controls, adequacy of staff, and management performance and procedures in connection with audit and financial controls, including our system to monitor and manage business risks and legal and ethical compliance programs. The Audit Committee approves the compensation of our Vice President, Chief Audit Executive, who meets with the committee regularly without other members of management present.

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The Audit Committee also prepares the Audit Committee Report for inclusion in our proxy statement, approves audit and non-audit services provided to us by our independent auditors, considers conflicts of interest and reviews all transactions with related persons involving executive officers or Board members that are reasonably expected to exceed specified thresholds, and meets with our Senior Vice President, Legal Affairs, to discuss our major risk exposures, including financial, operational, privacy, security, competition, and legal and regulatory risks, and review significant legal, compliance, and regulatory matters that could have a material impact on our financial statements or our business, including material notices to or inquiries received from governmental agencies. Our Board has determined that Mr. Anderson is an audit committee financial expert as defined by the SEC. You can view our Audit Committee Charter on the corporate governance section of our investor relations website at <http://investor.ebayinc.com/governance.cfm>.

Compensation Committee

Our Compensation Committee consists of Mr. Barnholt, Mr. Ford, Ms. Mitic, and Mr. Tierney, each of whom is independent in accordance with the rules and regulations of the Nasdaq Global Select Market, including the new Nasdaq rules relating to compensation committee independence. Mr. Barnholt is the chairman of the committee. Ms. Mitic joined the committee in June 2013. The committee met seven times during 2013. The primary responsibilities of the Compensation Committee are to:

- (1) Review and approve all compensation programs applicable to directors and executive officers, the overall strategy for employee compensation, and the compensation of our CEO and our other executive officers;
- (2) Oversee and monitor compliance with the Company's stock ownership guidelines applicable to directors and executive officers;
- (3) Review the Compensation Discussion and Analysis contained in our proxy statement and prepare the Compensation Committee Report for inclusion in our proxy statement; and
- (4) Review and consider the results of any advisory stockholder votes on executive compensation.

Additionally, the Compensation Committee assesses on an annual basis the independence of its compensation consultants, outside legal counsel, and other compensation advisers. The Compensation Committee Charter permits the committee to, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee. You can view our Compensation Committee Charter on the corporate governance section of our investor relations website at <http://investor.ebayinc.com/governance.cfm>. Additional disclosure regarding the role of the

Compensation Committee in compensation matters, including the role of executive officers and consultants in compensation decisions, can be found under Compensation Discussion and Analysis Role of the Compensation Committee and Role of Executive Officers and Consultants in Compensation Decisions below.

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Compensation Committee Interlocks and Insider Participation. All members of the Compensation Committee during 2013 were independent directors, and no member was an employee or former employee of eBay. No Compensation Committee member had any relationship requiring disclosure under Item 404 of Regulation S-K promulgated by the SEC. During 2013, none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on our Compensation Committee or Board.

Corporate Governance and Nominating Committee

Our Corporate Governance and Nominating Committee consists of Mr. Cook, Ms. Mitic, Mr. Schlosberg, and Mr. Tierney. Mr. Schlosberg is the chairman of the committee. Ms. Lepore was a member of the committee prior to her resignation from the Board in January 2013. The committee met four times during 2013. All members of our Corporate Governance and Nominating Committee are independent under the listing standards of the Nasdaq Global Select Market.

The primary responsibilities of the Corporate Governance and Nominating Committee include:

- (1) Making recommendations to the Board as to the appropriate size of the Board or any Board committee;
- (2) Reviewing the qualifications of candidates for the Board; and
- (3) Making recommendations to the Board on potential Board and Board committee members (whether as a result of vacancies, including any vacancy created by an increase in the size of the Board, or as part of the annual election cycle).

The committee considers nominee recommendations from a variety of sources, including nominees recommended by stockholders. The committee has from time to time retained an executive search firm to help facilitate the screening and interview process of director nominees. The committee expects that qualified candidates will have high-level managerial experience in a relatively complex organization or be accustomed to dealing with complex problems, and will be able to represent the interests of the stockholders as a whole rather than special interest groups or constituencies.

Among other factors, the committee considers each candidate relative to the following attributes:

Character;

Integrity;

Judgment;

Skills;

Background;

Experience of particular relevance to the Company;

Ability to work with others to solve complex problems; and

Time available to devote to Board activities.

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The committee also considers the interplay of a candidate's background and expertise with that of other Board members, and the extent to which a candidate may be a desirable addition to any committee of the Board. The committee also values diversity as a factor in selecting nominees to serve on the Board. Although the committee does not have a specific policy on diversity, the committee considers the criteria noted above in selecting nominees for directors, including members from diverse backgrounds and perspectives who combine a broad spectrum of experience and expertise. Finally, the Committee also takes into account the set of guiding principles relating to Board membership described in "Our Corporate Governance Practices - Succession Planning" above.

In addition to recommending director candidates, the Corporate Governance and Nominating Committee establishes procedures for the oversight and evaluation of the Board and management, reviews correspondence received from stockholders, and reviews on an annual basis our Corporate Governance Guidelines. Stockholders wishing to submit recommendations or director nominations for our 2015 Annual Meeting of Stockholders should submit their proposals to the Corporate Governance and Nominating Committee in care of our Corporate Secretary in accordance with the time limitations, procedures, and requirements described under the heading "May I propose actions for consideration at next year's Annual Meeting or nominate individuals to serve as directors?" in the section entitled "Questions and Answers about the Proxy Materials and Our 2014 Annual Meeting" above. You can view our Corporate Governance and Nominating Committee Charter on the corporate governance section of our investor relations website at <http://investor.ebayinc.com/governance.cfm>.

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The following table sets forth certain information known to us with respect to beneficial ownership of our common stock as of March 3, 2014 by (1) each stockholder known to us to be the beneficial owner of more than 5% of our common stock, (2) each director and nominee for director, (3) each of the executive officers named in the Summary Compensation Table below, and (4) all executive officers and directors as a group. Unless otherwise indicated below, the address for each of our executive officers and directors is c/o eBay Inc., 2065 Hamilton Avenue, San Jose, California 95125.

Name of Beneficial Owner	Shares Beneficially Owned ⁽¹⁾	
	Number	Percent
Pierre M. Omidyar ⁽²⁾	108,408,308	8.5%
John J. Donahoe ⁽³⁾	2,663,844	*
Robert H. Swan ⁽⁴⁾	1,273,735	*
Devin N. Wenig ⁽⁵⁾	213,381	*
David A. Marcus ⁽⁶⁾	102,348	*
Mark T. Carges ⁽⁷⁾	117,444	*
Fred D. Anderson ⁽⁸⁾	9,623	*
Marc L. Andreessen ⁽⁸⁾	37,123	*
Edward W. Barnholt ⁽⁸⁾	60,628	*
Scott D. Cook ⁽⁹⁾	264,849	*
William C. Ford, Jr. ⁽¹⁰⁾	186,628	*
Kathleen C. Mitic	5,715	*
David M. Moffett ⁽⁸⁾	46,128	*
Richard T. Schlosberg, III ⁽¹¹⁾	107,128	*

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Thomas J. Tierney ⁽¹²⁾	75,128	*
All directors and executive officers as a group (18 persons) ⁽¹³⁾	114,988,511	9.0%

* Less than one percent.

(1) This table is based upon information supplied by officers, directors, and principal stockholders and any Schedules 13D and 13G filed with the SEC. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated in the footnotes to this table, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of March 3, 2014, and restricted stock units, or RSUs, that are scheduled to vest within 60 days of March 3, 2014, are deemed to be outstanding for the purpose of computing the percentage ownership of the person holding those options, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The percentage of beneficial ownership is based on 1,269,135,972 shares of common stock outstanding as of March 3, 2014.

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- (2) Mr. Omidyar is our founder and Chairman of the Board. Includes 70,000 shares held by his spouse as to which he disclaims beneficial ownership, and 1,188,900 shares that Mr. Omidyar has pledged as security.
- (3) Mr. Donahoe is our President and CEO. Includes 2,083,628 shares Mr. Donahoe has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014, and 35,306 RSUs scheduled to vest within 60 days of March 3, 2014.
- (4) Mr. Swan is our Senior Vice President, Finance and Chief Financial Officer. Includes 863,295 shares Mr. Swan has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014, and 15,252 RSUs scheduled to vest within 60 days of March 3, 2014.
- (5) Mr. Wenig is our President, eBay Marketplaces. Includes 51,661 shares Mr. Wenig has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014, and 13,835 RSUs scheduled to vest within 60 days of March 3, 2014.
- (6) Mr. Marcus is our President, PayPal. Includes 42,249 shares Mr. Marcus has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014, and 35,771 RSUs scheduled to vest within 60 days of March 3, 2014.
- (7) Mr. Carges is our Chief Technology Officer. Includes 19,515 shares Mr. Carges has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014, and 9,035 RSUs scheduled to vest within 60 days of March 3, 2014.
- (8) Includes, in the case of Mr. Anderson, 3,623 shares Mr. Anderson has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014; in the case of Mr. Andreessen, 31,008 shares Mr. Andreessen has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014; in the case of Mr. Barnholt, 56,128 shares Mr. Barnholt has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014; and in the case of Mr. Moffett, 41,128 shares Mr. Moffett has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014.
- (9) Includes 101,128 shares Mr. Cook has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014. The address for Mr. Cook is c/o Intuit Inc., 2535 Garcia Avenue, Mountain View, California 94043.

- (10) Includes 300 shares held in trusts for Mr. Ford's children and where Mr. Ford and/or his spouse are trustees. Mr. Ford disclaims beneficial ownership of these shares. Includes 56,128 shares Mr. Ford has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014. The address for Mr. Ford is c/o Ford Motor Company, One American Road, Dearborn, Michigan 48126.
- (11) Includes 101,128 shares Mr. Schlosberg has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014. The address for Mr. Schlosberg is c/o Bank of San Antonio, 800 E. Sonterra Blvd., Suite 140, San Antonio, Texas 78257.
- (12) Includes 71,128 shares Mr. Tierney has the right to acquire pursuant to outstanding options exercisable within 60 days of March 3, 2014. The address for Mr. Tierney is c/o The Bridgespan Group, 2 Copley Place, 7th Floor, Suite 3700B, Boston, Massachusetts 02116.
- (13) Includes 4,204,800 shares subject to options exercisable within 60 days of March 3, 2014, and 165,154 RSUs scheduled to vest within 60 days of March 3, 2014.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors, executive officers, and holders of more than 10% of our common stock to file reports regarding their ownership and changes in ownership of our securities with the SEC, and to furnish us with copies of all Section 16(a) reports that they file.

We believe that during the fiscal year ended December 31, 2013, our directors, executive officers, and greater than 10% stockholders complied with all applicable Section 16(a) filing requirements.

In making this statement, we have relied upon a review of the copies of Section 16(a) reports furnished to us and the written representations of our directors, executive officers, and greater than 10% stockholders.

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CERTAIN TRANSACTIONS WITH DIRECTORS AND OFFICERS

The Audit Committee is charged with reviewing reports relating to compliance program activities and the oversight of the Code of Business Conduct as applied to the Company's directors and executive officers. The Audit Committee also reviews and approves all transactions with related persons that are required to be disclosed in this section of our proxy statement. The charter of our Audit Committee and our Code of Business Conduct may be found on our investor relations website at <http://investor.ebayinc.com/governance.cfm>.

Our Board has adopted a written policy for the review of related person transactions. For purposes of the policy, a related person transaction includes transactions in which (1) the amount involved is more than \$120,000 in any consecutive 12-month period, (2) eBay is a participant, and (3) any related person has a direct or indirect material interest. The policy defines a related person to include directors, nominees for director, executive officers, holders of more than 5% of eBay's outstanding common stock and their respective immediate family members. Pursuant to the policy, all related person transactions must be approved by the Audit Committee or, in the event of an inadvertent failure to bring the transaction to the Audit Committee for pre-approval, ratified by the Audit Committee. In the event that a member of the Audit Committee has an interest in a related person transaction, the transaction must be approved or ratified by the disinterested members of the Audit Committee. In deciding whether to approve or ratify a related person transaction, the Audit Committee will consider the following factors:

whether the terms of the transaction are (1) fair to eBay and (2) at least as favorable to eBay as would apply if the transaction did not involve a related person;

whether there are demonstrable business reasons for eBay to enter into the transaction;

whether the transaction would impair the independence of an outside director under eBay's director independence standards; and

whether the transaction would present an improper conflict of interest for any director or executive officer, taking into account the size of the transaction, the overall financial position of the related person, the direct or indirect nature of the related person's interest in the transaction and the ongoing

nature of any proposed relationship, and any other factors the committee deems relevant.

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We have entered into indemnification agreements with each of our directors and executive officers. These agreements require us to indemnify such individuals, to the fullest extent permitted by Delaware law, for certain liabilities to which they may become subject as a result of their affiliation with eBay. Since the beginning of 2013, there were no other related person transactions, and there are not currently any proposed related person transactions, that would require disclosure under SEC rules.

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PROPOSALS REQUIRING YOUR VOTE

Proposal 1

Election of Directors

At the 2014 Annual Meeting, four directors are to be elected to serve for a one-year term until our 2015 Annual Meeting, and until their successors are elected and qualified.

eBay's Board recommends that you vote on the WHITE proxy card or voting instruction form FOR ALL of the eBay Board's nominees for election (Mr. Anderson, Mr. Barnholt, Mr. Cook and Mr. Donahoe) to be elected and to serve as directors of eBay until our 2015 Annual Meeting and until their successors are elected and qualified. It is intended that the WHITE proxies will be voted for these four eBay nominees set forth in this proposal. eBay's Board unanimously recommends using the enclosed WHITE proxy card to vote FOR ALL of the eBay Board's four nominees for director.

Our Certificate of Incorporation and Bylaws provide for the Board to be divided into three classes. The first class currently consists of four directors, the second class currently consists of four directors and the third class currently consists of three directors. In April 2012, we placed on the ballot and our stockholders approved an amendment to our Amended and Restated Certificate of Incorporation to declassify the Board and move to annual elections of directors. As a result, the terms of all of our directors (including those elected at the 2014 Annual Meeting) will expire at the 2015 Annual Meeting, and all Board members will stand for annual election, beginning with our 2015 Annual Meeting. A director who is elected to fill a vacancy (including a vacancy created by an increase in the size of the Board) will serve for the remainder of the term of the class of directors in which the vacancy occurred and until his or her successor is elected and qualified, or until his or her earlier death, resignation, or removal.

Our Board is presently composed of 11 members, nine of whom are currently independent directors within the meaning of the listing standards of the Nasdaq Global Select Market. The 11 directors comprised eBay's full board for the 2013 fiscal year, except that Ms. Lepore was also a member of the Board until her resignation in January 2013. The four nominees standing for election at the Annual Meeting are from the first class of directors, whose term of office expires at the upcoming Annual Meeting. Each of the four nominees is currently a member of the Board and has been previously elected by the stockholders. Each of the four nominees has consented to serving as a nominee and being named as a nominee in this Proxy Statement, and to serving as a director if elected. If elected at the Annual Meeting, each of the nominees would serve a one-year term until our 2015 Annual Meeting and until his or her successor is elected and qualified, or until his or her earlier death, resignation, or removal.

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