

PayPal Holdings, Inc.  
Form 4  
July 29, 2016

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Barel Tomer

(Last) (First) (Middle)

C/O PAYPAL HOLDINGS, INC., 2211 NORTH FIRST STREET

(Street)

SAN JOSE, CA 95131

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
07/28/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

SVP, Chief Risk Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/28/2016		M		2,866	A	\$ 22.98
Common Stock	07/28/2016		S		2,866	D	\$ 37.2032
Common Stock	07/28/2016		S		2,996	D	\$ 37.211

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

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SEC 1474 (9-02)

number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 22.98	07/28/2016		M	2,866	<u>(1)</u> 04/02/2019	Common Stock	2,866	
Non-Qualified Stock Option (right to buy)	\$ 34.99					<u>(2)</u> 04/01/2020	Common Stock	3,520	
Non-Qualified Stock Option (right to buy)	\$ 35.88					<u>(2)</u> 04/01/2022	Common Stock	32,200	
Non-Qualified Stock Option (right to buy)	\$ 36.95					<u>(2)</u> 04/01/2021	Common Stock	9,850	
Restricted Stock Units -2	<u>(5)</u>					<u>(3)</u> <u>(4)</u>	Common Stock	2,340	
Restricted Stock Units -3	<u>(5)</u>					<u>(3)</u> <u>(4)</u>	Common Stock	2,930	
Restricted Stock Units -4	<u>(5)</u>					<u>(3)</u> <u>(4)</u>	Common Stock	6,560	
Restricted Stock Units -5	<u>(5)</u>					<u>(3)</u> <u>(4)</u>	Common Stock	5,470	
Restricted Stock Units -6	<u>(5)</u>					<u>(6)</u> <u>(4)</u>	Common Stock	39,900	
Restricted Stock Units -7	<u>(5)</u>					<u>(3)</u> <u>(4)</u>	Common Stock	12,100	
Restricted Stock Units -8	<u>(5)</u>					<u>(6)</u> <u>(4)</u>	Common Stock	37,700	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Barel Tomer C/O PAYPAL HOLDINGS, INC. 2211 NORTH FIRST STREET SAN JOSE, CA 95131			SVP, Chief Risk Officer	

## Signatures

By: Russell S. Elmer For: Tomer  
Barel 07/28/2016

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.
  - (2) The option grant is subject to a four-year vesting schedule, vesting 12.5% on the 6 month anniversary of the grant and 1/48th per month thereafter.  
The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on the one year anniversary date
  - (3) of the restricted stock unit and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
  - (4) Not applicable.
  - (5) Each restricted stock unit represents a contingent right to receive one share of PayPal's common stock.  
The reporting person received a restricted stock unit grant subject to a three-year vesting schedule, vesting 33.34% on the one year
  - (6) anniversary, and 33.33% on the second year anniversary and 33.33% on the third year anniversary. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.