

EBAY INC  
Form PRE 14A  
April 09, 2019  
[Table of Contents](#)

**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:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

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)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date Filed:

---

**Table of Contents**

**PRELIMINARY PROXY STATEMENT    SUBJECT TO COMPLETION**

**Notice of Annual Meeting of Stockholders**

To our Stockholders:

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Stockholders of eBay Inc., a Delaware corporation, will be held on Thursday, May 30, 2019, at 8:00 a.m. Pacific Time at our principal executive office located at 2025 Hamilton Avenue, San Jose, California 95125.

Items of Business	Election of 15 directors named in the accompanying Proxy Statement to our Board of Directors (the Board ) to hold office until our 2020 Annual Meeting of Stockholders Advisory vote to approve named executive officer compensation Ratification of appointment of independent auditors Management proposal to amend special meeting provisions in the Company's charter and bylaws  Stockholder proposal requesting that the Board require an independent chair, if properly presented  Transaction of such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting
-------------------	---

Record Date	Our Board has fixed the close of business on April 5, 2019, as the record date for identifying those stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement of the Annual Meeting.
-------------	---

**These items of business are described more fully in the accompanying Proxy Statement. We will be providing access to our proxy materials over the Internet under the Securities and Exchange Commission's notice and access rules. As a result, on or about May 2, 2019, we are mailing to many of our stockholders a notice instead of a paper copy of the Proxy Statement and our 2018 Annual Report.**

**Your vote is important. Regardless of whether you plan to participate in the Annual Meeting, we hope you will vote as soon as possible. You may cast your vote over the Internet, by telephone, by mail or during the Annual Meeting.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER**

**MEETING TO BE HELD ON MAY 30, 2019: THE PROXY STATEMENT AND THE ANNUAL REPORT ARE AVAILABLE AT**

<https://investors.ebayinc.com/financial-information/annual-reports/default.aspx>

**This Proxy Statement will also be available in interactive form at <https://iiwisdom.com/ebay-2019>**

By Order of the Board of Directors

Marie Oh Huber

*Secretary*

**Table of Contents**

**Table of Contents**

**Table of Contents**

<b><u>PROXY STATEMENT SUMMARY</u></b>	<b>1</b>
<b><u>CORPORATE GOVERNANCE</u></b>	<b>2</b>
<u>Our Corporate Governance Practices</u>	15
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b>21</b>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	22
<b><u>CERTAIN TRANSACTIONS WITH DIRECTORS AND OFFICERS</u></b>	<b>23</b>
<b><u>PROPOSALS REQUIRING YOUR VOTE</u></b>	<b>24</b>
<u>PROPOSAL 1 Election of Directors</u>	24
<u>PROPOSAL 2 Advisory Vote to Approve Named Executive Officer Compensation</u>	37
<u>PROPOSAL 3 Ratification of Appointment of Independent Auditors</u>	39
<u>PROPOSAL 4 Management Proposal</u>	43
<u>PROPOSAL 5 Stockholder Proposal</u>	45
<b><u>OUR EXECUTIVE OFFICERS</u></b>	<b>49</b>
<b><u>MESSAGE FROM THE COMPENSATION COMMITTEE</u></b>	<b>50</b>
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b>51</b>
<u>Executive Summary</u>	51
<u>1 Elements of Our Executive Compensation Program</u>	54
<u>2 Compensation Decisions for 2018</u>	62
<u>3 2018 Business Results</u>	65
<u>4 Severance and Change In Control Arrangements with Executive Officers and Clawbacks</u>	67
<u>5 Further Considerations for Setting Executive Compensation</u>	70
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b>72</b>
<b><u>COMPENSATION TABLES</u></b>	<b>73</b>
<u>2018 Summary Compensation Table</u>	73
<u>2018 Grants of Plan-based Awards</u>	76

<u>2018 Outstanding Equity Awards at Fiscal Year-End</u>	80
<u>2018 Option Exercises and Stock Vested</u>	83
<u>Potential Payments Upon Termination or Change in Control</u>	84
<u>COMPENSATION OF DIRECTORS</u>	88
<u>2018 Director Compensation Table</u>	89
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	91
<u>CEO PAY RATIO</u>	92
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND OUR 2019 ANNUAL MEETING</u>	93
<u>OTHER MATTERS</u>	100
<u>APPENDIX A: SPECIAL MEETING PROVISIONS CHARTER</u>	A-1
<u>APPENDIX B: SPECIAL MEETING PROVISIONS BYLAWS</u>	B-1

**Table of Contents****Proxy Statement Summary****Proxy Statement Summary**

**This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.**

**Meeting Information**

Date	Thursday, May 30, 2019
Time	8:00 a.m. Pacific Time
Location	2025 Hamilton Avenue, San Jose, CA 95125
Record Date	April 5, 2019

**How to Vote**

**YOUR VOTE IS IMPORTANT.** You are eligible to vote if you were a stockholder at the close of business on April 5, 2019 (the Record Date). Even if you plan to attend the meeting, please vote as soon as possible using any of the following methods. In all cases, you should have your notice, or if you requested to receive printed proxy materials, your proxy card or voting instruction form on hand and follow the instructions:

<b>By Internet</b>	<b>By Telephone</b>	<b>By Mail</b>
You can vote your shares online at <a href="http://www.proxyvote.com">www.proxyvote.com</a> .	You can vote your shares by calling +1 (800) 690-6903.	If you requested to receive printed proxy materials, you can vote by mail by marking, dating and signing your proxy card or voting instruction form and returning it in the postage-paid envelope.



## Proposals Requiring Your Vote

	Board's Voting	Page
Description	Recommendation	Reference (for more detail)
<b>Proposal 1. Election of 15 directors named in this Proxy Statement to our Board to hold office until our 2020 Annual Meeting of Stockholders</b>	<b>FOR</b> each director nominee	24
<b>Proposal 2. Advisory vote to approve named executive officer compensation</b>	<b>FOR</b>	37
<b>Proposal 3. Ratification of appointment of independent auditors</b>	<b>FOR</b>	39
<b>Proposal 4. Management Proposal regarding special meeting provisions</b>	<b>FOR</b>	43
<b>Proposal 5. Stockholder Proposal requesting that the Board require an independent chair, if properly presented</b>	<b>AGAINST</b>	45

**Table of Contents****Proxy Statement Summary****Corporate Governance**

The Board of Directors (the **Board**) of eBay Inc. ( **eBay** or the **Company** ) is responsible for (1) providing advice and oversight of the strategic and operational direction of the Company and (2) overseeing 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. eBay is committed to transparency and accountability, as demonstrated by the following governance features:

Strong Board independence (14 of 15 directors are independent)	Separate Chairman and CEO roles
Declassified Board with all members standing for election annually	Independent Chairman with robust responsibilities
Majority vote standard for uncontested director elections	Simple majority vote standard for bylaw/charter amendments and transactions
Stockholder right to call a special meeting	Clawback policy
Stockholder proxy access	Stock ownership requirements for our executive officers and directors
Strong stockholder engagement practices	Anti-hedging and anti-pledging policies

**2019 Director Nominees**

Name	Director			Committee			Other Public
				Memberships*			Company
	Since	Independent	AC	CC	CGC	RC	Boards
<b>Fred D. Anderson Jr.</b>	2003	YES					1
<b>Anthony J. Bates</b>	2015	YES		&#127761;		&#127761;	2
<b>Adriane M. Brown</b>						&#127761;	

	2017	YES		2
			&#127761;	
<b>Jesse A. Cohn</b>				
	2019	YES		1
<b>Diana Farrell</b>				
	2017	YES	&#127761;	None
<b>Logan D. Green</b>				
	2016	YES		None
			&#127761;	
<b>Bonnie S. Hammer</b>				
	2015	YES	&#127761;	1
<b>Kathleen C. Mitic</b>				
	2011	YES		1
			&#127761;	
<b>Matthew J. Murphy</b>				
	2019	YES		1
<b>Pierre M. Omidyar</b>				
	1996	YES		None
<b>Paul S. Pressler</b>				
	2015	YES	&#127761;	None
<b>Robert H. Swan</b>				
	2015	YES		1
<b>Thomas J. Tierney</b> (Chairman of the Board)				
	2003	YES	&#127761; &#127761;	None
<b>Perry M. Traquina</b>				
	2015	YES	&#127761; &#127761;	2
<b>Devin N. Wenig</b>				
	2015	NO		1

\* AC = Audit Committee; CC = Compensation Committee; CGC = Corporate Governance and Nominating Committee; RC = Risk Committee; Committee Chair =



---

**Table of Contents**

**Proxy Statement Summary**

**Executive Compensation**

In 2018, eBay made solid progress executing its strategy of delivering the best choice, most relevance and most powerful selling platform for buyers and sellers. The Company accelerated its product innovation to improve the customer experience for buyers and sellers and delivered strong financial results. At the same time, the leadership team continued to foster a culture wedded to the Company's purpose of creating a better, more sustainable form of commerce and rooted in the core values of being inventive, bold, courageous, diverse and inclusive. The Compensation Committee and our CEO remain committed to our existing executive compensation program, which is designed to align with our business goals and culture, serves the long-term interests of our stockholders and is highly performance based. We believe that our pay-for-performance-driven executive compensation program ensures that our executives' compensation is tied to delivering results that support the Company's business strategy and objectives.

**Our Compensation Program**

The goals of our executive compensation program are to:

**align** compensation with our business objectives, performance and stockholder interests,

**motivate** executive officers to enhance short-term results and long-term stockholder value,

**position** us competitively among the companies against which we recruit and compete for talent, and

**enable** us to attract, reward and retain executive officers and other key employees who contribute to our long-term success.

**How We Pay Our Executive Officers**

We achieve these objectives primarily by employing the following elements of pay for our executive officers:

long-term equity compensation,

an annual cash incentive, and

base salary.

Our executive officers also participate in our broad-based retirement savings and benefit programs and receive limited perquisites.

In 2018, we continued to use a mix of equity and cash compensation vehicles to compensate our executive officers. Our incentive compensation is dependent on financial targets that the Compensation Committee believes correlate with operating performance over one- and multi-year performance periods and long-term stock performance.

In recognition of the importance of our strategic decision to improve customer experience by intermediating payments on our Marketplace platform (our Payments initiative), we have adjusted the PBRSU Program for the 2018-2019 PBRSU cycle to tie our senior executives' compensation to the degree of achievement of Payments intermediation through the use of a Payments achievement modifier component to the design.

**Table of Contents**

**Proxy Statement Summary**

The following chart shows the breakdown of 2018 compensation for our CEO, Devin Wenig, and illustrates the predominance of equity incentives and performance-based components in our executive compensation program.

**DEVIN WENIG**

As discussed above, our executive compensation program aligns compensation with our business objectives, and is highly performance-based, with payouts under the program dependent on meeting financial and operational targets over designated performance periods. For 2018, we selected financial metrics and targets that the Compensation Committee believes incentivize our management team to achieve our strategic objectives and drive the Company's financial performance and long-term stock performance, including FX-neutral revenue, non-GAAP operating margin dollars, return on invested capital, payment intermediation usage and non-GAAP net income. The specific results for 2018 are described on page 65 under 2018 Business Results.

**Table of Contents****Proxy Statement Summary****Our Compensation Practices**

We believe our compensation practices align with and support the goals of our executive compensation program and demonstrate our commitment to sound compensation and governance practices.

What We Do	What We Don't Do
<b>Align executive compensation with the interests of our stockholders</b>	<b>&amp;#10008 Tax gross-ups for change in control benefits</b>
Pay-for-performance emphasized	<b>&amp;#10008 Automatic single-trigger acceleration of equity upon a change in control</b>
Majority of total compensation comprises performance-based compensation: PBRsUs and annual cash incentives	<b>&amp;#10008 Repricing or buyout of underwater stock options without stockholder approval</b>
Equity/cash compensation ratio significantly favors equity	<b>&amp;#10008 Hedging and pledging transactions</b>
Meaningful stock ownership requirements	
<b>Avoid excessive risk-taking</b>	
Robust clawback policy	
Multiple performance measures, caps on incentive payments, and overlapping two-year performance periods for PBRsU awards	
<b>Adhere to compensation best practices</b>	
Compensation benchmarked at or around the 50th percentile of peer group	
Independent compensation consultant engaged	



Only limited perquisites for executive officers that  
are not available to all employees