

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): September 26, 2019

PAYPAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36859
(Commission
File Number)

47-2989869
(IRS Employer
Identification No.)

**2211 North First Street
San Jose, California 95131**
(Address of principal executive offices, Zip code)

(408) 967-1000
(Registrant's telephone number, including area code)

(Not Applicable)
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class:</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered:</u>
Common Stock, par value \$0.0001 per share	PYPL	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On September 26, 2019, PayPal Holdings, Inc. (the “Company”) issued and sold \$5,000,000,000 aggregate principal amount of notes, consisting of \$1,000,000,000 aggregate principal amount of 2.200% Notes due 2022 (the “2022 Notes”), \$1,250,000,000 aggregate principal amount of 2.400% Notes due 2024 (the “2024 Notes”), \$1,250,000,000 aggregate principal amount of 2.650% Notes due 2026 (the “2026 Notes”) and \$1,500,000,000 aggregate principal amount of 2.850% Notes due 2029 (the “2029 Notes” and, together with the 2022 Notes, the 2024 Notes and the 2026 Notes, the “Notes”).

The Notes are being issued pursuant to an indenture, dated as of September 26, 2019 (the “Base Indenture”), between the Company and Wells Fargo Bank, National Association, as trustee (the “Trustee”), together with the officer’s certificate, dated September 26, 2019 (the “Officer’s Certificate” and, together with the Base Indenture, the “Indenture”), issued pursuant to the Indenture establishing the terms of each series of Notes.

The Notes are being issued pursuant to the Company’s Registration Statement on FormS-3 filed with the Securities and Exchange Commission on September 16, 2019 (Registration Statement No. 333-233776) (the “Registration Statement”).

The 2022 Notes will mature on September 26, 2022, the 2024 Notes will mature on October 1, 2024, the 2026 Notes will mature on October 1, 2026 and the 2029 Notes will mature on October 1, 2029, unless earlier redeemed or repurchased. Interest on the 2022 Notes is payable on March 26 and September 26 of each year, beginning on March 26, 2020. Interest on the 2024 Notes, the 2026 Notes and the 2029 Notes is payable on April 1 and October 1 of each year, beginning on April 1, 2020.

The Company may redeem the Notes for cash in whole, at any time, or in part, from time to time, prior to maturity, at redemption prices that include accrued and unpaid interest, if any, and a make-whole premium. However, no make-whole premium will be paid for redemptions of the 2024 Notes on or after September 1, 2024, for redemptions of the 2026 Notes on or after August 1, 2026 or for redemptions of the 2029 Notes on or after July 1, 2029. The Indenture includes covenants (1) limiting the Company’s and its restricted subsidiaries ability to create liens on certain properties and capital stock and indebtedness of these restricted subsidiaries and enter into sale and leaseback transactions with respect to certain properties and (2) limiting the Company’s ability to consolidate, merge or sell all or substantially all of its assets, in each case, subject to a number of important exceptions as specified in the Indenture. The Indenture also contains customary event of default provisions. In the event of the occurrence of both (1) a change of control of the Company and (2) a downgrade of a series of Notes below an investment grade rating by each of Fitch Inc. and Standard & Poor’s Ratings Services within a specified period, the Company will be required to offer to repurchase any outstanding Notes of that series at a price in cash equal to 101% of the then outstanding principal amount of such series of Notes, plus accrued and unpaid interest. The Notes are the Company’s unsecured senior obligations and rank equally in right of payment with all of the Company’s existing and future unsecured and unsubordinated indebtedness. The Notes will be structurally subordinated to the liabilities of our subsidiaries and will be effectively subordinated to any secured indebtedness to the extent of the value of the assets securing such indebtedness.

An affiliate of the Trustee is also a lender under the Company’s credit facility.

The above description of the Indenture and the Notes does not purport to be complete and is qualified in its entirety by reference to the Indenture and the Officer's Certificate (including the forms of Notes included therein), attached as Exhibits 4.1, 4.2, 4.3, 4.4, 4.5 and 4.6, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
4.1	<u>Indenture, dated as of September 26, 2019, by and between the Company and the Trustee</u>
4.2	<u>Officer's Certificate pursuant to the Indenture, dated as of September 26, 2019</u>
4.3	<u>Form of 2022 Note (included in Exhibit 4.2)</u>
4.4	<u>Form of 2024 Note (included in Exhibit 4.2)</u>
4.5	<u>Form of 2026 Note (included in Exhibit 4.2)</u>
4.6	<u>Form of 2029 Note (included in Exhibit 4.2)</u>
5.1	<u>Opinion of Skadden, Arps, Slate, Meagher & Flom LLP</u>
23.1	<u>Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1)</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PayPal Holdings, Inc.
(Registrant)

Date: September 26, 2019

/s/ Brian Y. Yamasaki

Name: Brian Y. Yamasaki

Title: Vice President, Corporate Legal and Secretary

Indenture

Dated as of September 26, 2019

**PAYPAL HOLDINGS, INC.,
as Issuer**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Debt Securities

TABLE OF CONTENTS

	<u>Page</u>
Article I	
DEFINITIONS	
Section 1.1 Certain Terms Defined	1
Article II	
SECURITIES	
Section 2.1 Forms Generally	6
Section 2.2 Form of Trustee's Certificate of Authentication	7
Section 2.3 Amount Unlimited; Issuable in Series	7
Section 2.4 Authentication and Delivery of Securities	10
Section 2.5 Execution of Securities	12
Section 2.6 Certificate of Authentication	13
Section 2.7 Denomination and Date of Securities; Payment of Interest	13
Section 2.8 Registration, Transfer and Exchange	14
Section 2.9 Mutilated, Defaced, Destroyed, Lost and Stolen Securities	16
Section 2.10 Cancellation of Securities; Disposal Thereof	17
Section 2.11 Temporary Securities	17
Section 2.12 Cusip Numbers	18
Article III	
COVENANTS OF THE ISSUER	
Section 3.1 Payment of Principal and Interest	18
Section 3.2 Offices for Payments, Etc.	18
Section 3.3 Appointment to Fill a Vacancy in Office of Trustee	19
Section 3.4 Paying Agents	19
Section 3.5 Compliance Certificates	20
Section 3.6 Corporate Existence	20
Section 3.7 Calculation of Original Issue Discount	20
Article IV	
SECURITYHOLDER LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE	
Section 4.1 Issuer to Furnish Trustee Information As to Names and Addresses of Securityholders	21
Section 4.2 Reports by the Issuer	21
Section 4.3 Reports by the Trustee	21

Article V

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 5.1	Event of Default Defined, Acceleration of Maturity; Waiver of Default	22
Section 5.2	Collection of Indebtedness by Trustee; Trustee May Prove Debt	24
Section 5.3	Application of Proceeds	26
Section 5.4	Suits for Enforcement	27
Section 5.5	Restoration of Rights on Abandonment of Proceedings	27
Section 5.6	Limitations on Suits by Security Holders	27
Section 5.7	Unconditional Right of Securityholders to Institute Certain Suits	28
Section 5.8	Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default	28
Section 5.9	Control by Holders of Securities	28
Section 5.10	Waiver of Past Defaults	29
Section 5.11	Trustee to Give Notice of Default, But May Withhold in Certain Circumstances	29
Section 5.12	Right of Court to Require Filing of Undertaking to Pay Costs	29

Article VI

CONCERNING THE TRUSTEE

Section 6.1	Duties and Responsibilities of the Trustee; During Default; Prior to Default	30
Section 6.2	Certain Rights of the Trustee	31
Section 6.3	Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof	32
Section 6.4	Trustee and Agents May Hold Securities; Collections, Etc.	33
Section 6.5	Moneys Held by Trustee	33
Section 6.6	Compensation and Indemnification of Trustee and Its Prior Claim	33
Section 6.7	Right of Trustee to Rely on Officer's Certificate, Etc.	34
Section 6.8	Indentures Not Creating Potential Conflicting Interests for the Trustee	34
Section 6.9	Qualification of Trustee: Conflicting Interests	34
Section 6.10	Persons Eligible for Appointment As Trustee	34
Section 6.11	Resignation and Removal; Appointment of Successor Trustee	34
Section 6.12	Acceptance of Appointment by Successor Trustee	36
Section 6.13	Merger, Conversion, Consolidation or Succession to Business of Trustee	37
Section 6.14	Preferential Collection of Claims Against the Issuer	37
Section 6.15	Appointment of Authenticating Agent	37

Article VII

CONCERNING THE SECURITYHOLDERS

Section 7.1	Evidence of Action Taken by Securityholders	38
Section 7.2	Proof of Execution of Instruments and of Holding of Securities	38

Section 7.3	Holders to be Treated As Owners	38
Section 7.4	Securities Owned by Issuer Deemed Not Outstanding	39
Section 7.5	Right of Revocation of Action Taken	39
Article VIII		
SUPPLEMENTAL INDENTURES		
Section 8.1	Supplemental Indentures Without Consent of Securityholders	40
Section 8.2	Supplemental Indentures With Consent of Securityholders	42
Section 8.3	Effect of Supplemental Indenture	43
Section 8.4	Documents to be Given to Trustee	43
Section 8.5	Notation on Securities in Respect of Supplemental Indentures	43
Article IX		
CONSOLIDATION, MERGER, SALE OR CONVEYANCE		
Section 9.1	Issuer May Consolidate, Etc., Only on Certain Terms	44
Section 9.2	Successor Person Substituted	44
Section 9.3	Opinion of Counsel to be Given to Trustee	44
Article X		
SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS		
Section 10.1	Satisfaction and Discharge of Indenture	45
Section 10.2	Application by Trustee of Funds Deposited for Payment of Securities	49
Section 10.3	Repayment of Moneys Held by Paying Agent	49
Section 10.4	Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years	49
Section 10.5	Indemnity for U.S. Government Obligations	49
Section 10.6	Effect on Subordination Provisions	49
Article XI		
MISCELLANEOUS PROVISIONS		
Section 11.1	Incorporators, Stockholders, Officers and Directors of Issuer Exempt From Individual Liability	50
Section 11.2	Provisions of Indenture for the Sole Benefit of Parties and Holders of Securities	50
Section 11.3	Successors and Assigns of Issuer Bound by Indenture	50
Section 11.4	Notices and Demands on Issuer, Trustee and Holders of Securities	50
Section 11.5	Officer's Certificates and Opinions of Counsel; Statements to be Contained Therein	52
Section 11.6	Payments Due on Saturdays, Sundays and Holidays	53
Section 11.7	Conflict of Any Provision of Indenture With Trust Indenture Act	53

Section 11.8	New York Law to Govern; Waiver of Jury Trial	54
Section 11.9	Counterparts	54
Section 11.10	Effect of Headings	54
Section 11.11	Securities in a Foreign Currency	54
Section 11.12	Judgment Currency	55
Section 11.13	Agreement to Subordinate	55
Section 11.14	Force Majeure	55
Section 11.15	U.S.A. Patriot Act	56

Article XII

REDEMPTION OF SECURITIES AND SINKING FUNDS

Section 12.1	Applicability of Article	56
Section 12.2	Notice of Redemption; Partial Redemptions	56
Section 12.3	Payment of Securities Called for Redemption	57
Section 12.4	Exclusion of Certain Securities From Eligibility for Selection for Redemption	58
Section 12.5	Mandatory and Optional Sinking Funds	58

THIS INDENTURE, dated as of September 26, 2019, by and among PAYPAL HOLDINGS, INC., a Delaware corporation (the “**Issuer**”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee (the “**Trustee**”).

WITNESSETH:

WHEREAS, the Issuer has duly authorized the issue from time to time of its unsecured debentures, notes or other evidences of indebtedness to be issued in one or more series (the “**Securities**”) up to such principal amount or amounts as may from time to time be authorized in accordance with the terms of this Indenture;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide, among other things, for the authentication, delivery and administration of the Securities; and

WHEREAS, all things necessary to make this Indenture a valid and legally binding indenture and agreement according to its terms have been done;

NOW, THEREFORE:

In consideration of the premises and the purchases of the Securities by the holders thereof, the Issuer and the Trustee covenant and agree for the equal and proportionate benefit of the holders from time to time of the Securities as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Certain Terms Defined. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), or the definitions of which in the Securities Act of 1933, as amended (the “**Securities Act**”), are referred to in the Trust Indenture Act, including terms defined therein by reference to the Securities Act (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meaning assigned to such terms in the Trust Indenture Act and in the Securities Act as in effect from time to time. All accounting terms used herein and not expressly defined shall have the meanings assigned to such terms in accordance with generally accepted accounting principles, and the term “**generally accepted accounting principles**” means such accounting principles as are generally accepted at the time of any computation unless a different time shall be specified with respect to such series of Securities as provided for in Section 2.3. The words “**herein**,” “**hereof**” and “**hereunder**” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

“**Affiliate**” has the same meaning as given to that term in Rule 405 of the Securities Act or any successor provision.

“**Applicable Procedures**” means, with respect to any matter at any time, the policies and procedures of a Depository, if any, that are applicable to such matter at such time.

“**Authenticating Agent**” shall have the meaning set forth in Section 6.15.

“**Board of Directors**” means either the Board of Directors of the Issuer or any committee of such Board duly authorized to act on its behalf.

“**Board Resolution**” means a copy of one or more resolutions, certified by the secretary or an assistant secretary of the Issuer to have been duly adopted or consented to by the Board of Directors and to be in full force and effect, and delivered to the Trustee.

“**Business Day**” means, with respect to any Security, a day that is not a day on which banking institutions in the city (or in any of the cities, if more than one) in which amounts are payable, as specified in the form of such Security, are authorized or required by any applicable law or regulation to be closed.

“**Capital Stock**” means, with respect to any corporation, any and all shares, interests, rights to purchase (other than convertible or exchangeable indebtedness that is not itself otherwise capital stock), warrants, options, participations or other equivalents of or interests (however designated) in stock issued by that corporation.

“**Commission**” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

“**Corporate Trust Office**” means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, as of the date of this Indenture, located at 333 S. Grand Avenue, 5th Floor, Suite 5A, MAC: E2064-D5A, Los Angeles, CA 90071 Attn: Corporate Trust Services–Paypal Administrator. With respect to registration for transfer or exchange, presentation at maturity or for redemptions, such office shall also mean the office or agency of the Trustee located at the date hereof at Corporate Trust Operations, MAC N9300-070, 600 South Fourth Street, Minneapolis, MN 55415.

“**covenant defeasance**” shall have the meaning set forth in Section 10.1(c).

“**Depository**” means, with respect to the Securities of any series issuable or issued in the form of one or more Registered Global Securities, the Person designated as Depository by the Issuer pursuant to Section 2.3 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, “Depository” as used with respect to the Securities of any such series shall mean the Depository with respect to the Registered Global Securities of that series.

“**Dollar**” or “**\$**” means the coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

“**DTC**” means The Depository Trust Company or any of its successors.

“**Equity Interests**” means Capital Stock or partnership, participation or membership interests and all warrants, options or other rights to acquire Capital Stock or partnership, participation or membership interests (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock or partnership, participation or membership interests).

“**Event of Default**” means any event or condition specified as such in Section 5.1.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Fair Value**” when used with respect to any Voting Equity Interests of the Issuer means the fair value as determined in good faith by the Board of Directors of the Issuer.

“**Foreign Currency**” means any coin, currency, currency unit or composite currency, including, without limitation, the euro, issued by the government of one or more countries, other than the United States of America or by any internationally recognized union, confederation or association of such governments.

“**Holder**,” “**Holder of Securities**,” “**Securityholder**” or any other similar terms mean the person in whose name a Security is registered in the security register kept by the Registrar for that purpose in accordance with the terms hereof.

“**Indenture**” means this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and shall include the forms and terms of particular series of Securities established as contemplated hereunder, *provided*, that, if at any time more than one Person is acting as Trustee under this instrument, “**Indenture**” shall mean, with respect to one or more series of Securities for which such person is trustee, this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented or both, and shall include the forms and terms of those particular series of Securities for which such Person is Trustee established as contemplated hereunder, exclusive, however, of any provisions or terms which relate solely to other series of Securities for which such person is not Trustee, regardless of when such terms or provisions were adopted.

“**IRS**” means the Internal Revenue Service of the United States Department of the Treasury, or any successor entity.

“**Issuer**” means (except as otherwise provided in Article IX) PayPal Holdings, Inc., a Delaware corporation, and, subject to Article IX, its successors and assigns.

“**Issuer Order**” means a written statement, request or order of the Issuer signed in its name by the president, any vice president or the treasurer of the Issuer.

“**Judgment Currency**” has the meaning set forth in Section 11.12.

“**Officer’s Certificate**” means a certificate signed by any one of the following: the president, chief financial officer, chief executive officer, any vice president, the treasurer or assistant treasurer of the Issuer and delivered to the Trustee.

“**Opinion of Counsel**” means an opinion in writing signed by legal counsel who is reasonably acceptable to the Trustee and who may be an employee of or counsel to the Issuer.

“**Original Issue Date**” of any Security (or portion thereof) means the earlier of (a) the date of such Security or (b) the date of any Security (or portion thereof) for which such Security was issued (directly or indirectly) on registration of transfer, exchange or substitution.

“**Original Issue Discount Security**” means any Security that provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 5.1.

“**Outstanding**” (except as otherwise provided in Section 7.4), when used with reference to Securities, means, subject to the provisions of Section 7.4, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except:

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys or U.S. Government Obligations (as provided for in Section 10.1) in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer for the Holders of such Securities (if the Issuer shall act as its own paying agent), provided, that if such Securities, or portions thereof, are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided;

(c) Securities which shall have been paid or in substitution for which other Securities shall have been authenticated and delivered pursuant to the terms of Section 2.9 (except with respect to any such Security as to which proof reasonably satisfactory to the Trustee is presented that such Security is held by a person in whose hands such Security is a legal, valid and binding obligation of the Issuer); and

(d) Securities that have been defeased pursuant to Section 10.1.

In determining whether the Holders of the requisite principal amount of Outstanding Securities of any or all series have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the maturity thereof pursuant to Section 5.1.

“**Periodic Offering**” means an offering of Securities of a series from time to time, the specific terms of which Securities, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Issuer or its agents upon the issuance of such Securities.

“**Person**” means any individual, corporation, business trust, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**principal**” whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include “and premium, if any,” provided, however, that such inclusion of premium, if any, shall under no circumstances result in the double counting of such premium for the purpose of any calculation required hereunder.

“**record date**” shall have the meaning set forth in Section 2.7.

“**Registered Global Security**” means a Security evidencing all or a part of a series of Registered Securities, issued to the Depositary or a nominee thereof for such series in accordance with Section 2.4, and bearing the legend prescribed in Section 2.4 and any other legend required by the Depositary for such series.

“**Registered Security**” means any Security registered on the books of the Registrar.

“**Registrar**” means the Person designated by the Issuer as “Registrar” for the purpose of registering Securities and transfers of Securities as herein provided, who shall initially be the Trustee. “Registrar” shall also mean or include each Person who is then a registrar hereunder, and, if at any time there is more than one such Person, “Registrar” as used with respect to the Securities of any series shall mean the registrar with respect to the Securities of such series.

“**Required Currency**” shall have the meaning set forth in Section 11.12.

“**Responsible Officer**” when used with respect to the Trustee means any vice president (whether or not designated by numbers or words added before or after the title “Vice President”), any assistant vice president, any trust officer, or assistant trust officer, or any other officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject and, in each case, who shall have direct responsibility for the administration of this Indenture.

“**Security**” or “**Securities**” (except as otherwise provided in Section 7.4) has the meaning stated in the first recital of this Indenture, or, as the case may be, Securities that have been authenticated and delivered under this Indenture.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Senior Indebtedness**”, when used with respect to the Subordinated Securities of any series, shall have the meaning established pursuant to Subsection 2.3(9) with respect to the Subordinated Securities of such series.

“**Senior Securities**” means Securities other than Subordinated Securities.

“**Subordinated Securities**” means Securities that by the terms established pursuant to Subsection 2.3(9) are subordinated in right of payment to Senior Indebtedness of the Issuer.

“**Subordination Provisions**”, when used with respect to the Subordinated Securities of any series, shall have the meaning established pursuant to Subsection 2.3(9) with respect to the Subordinated Securities of such series.

“**Subsidiary**,” with respect to any Person, means (i) a corporation a majority of whose Voting Equity Interests is at the time, directly or indirectly, owned by such Person, by such Person and one or more Subsidiaries of such Person or by one or more Subsidiaries of such Person, (ii) any other Person (other than a corporation) in which such Person, one or more Subsidiaries of such Person, or such Person and one or more Subsidiaries of such Person, directly or indirectly, at the date of determination thereof has at least majority ownership interest, or (iii) a partnership in which such Person or a Subsidiary of such Person is, at the time, a general partner.

“**Trustee**” means the Person identified as “Trustee” in the first paragraph hereof and, subject to the provisions of Article VI, shall also include any successor trustee. “Trustee” shall also mean or include each Person who is then a trustee hereunder, and, if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the trustee with respect to the Securities of such series.

“**U.S. Government Obligations**” shall have the meaning set forth in Section 10.1(a).

“**Voting Equity Interests**” means Equity Interests which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally; provided, that, for the purposes hereof, Equity Interests that carry only the right to vote conditionally on the happening of an event shall not be considered Voting Equity Interests whether or not such event shall have happened.

“**Yield to Maturity**” means the yield to maturity on a series of securities, calculated at the time of issuance of such series, or, if applicable, at the most recent redetermination of interest on such series, and calculated in accordance with accepted financial practice.

ARTICLE II

SECURITIES

Section 2.1 Forms Generally. The Securities of each series shall be substantially in such form (not inconsistent with this Indenture) as shall be established by or pursuant to one or more Board Resolutions, an Officer’s Certificate detailing such establishment or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with any rules of any securities exchange or to conform to general usage, all as may be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

The definitive Securities shall be printed or produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 2.2 Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

"This is one of the Securities referred to in the within-mentioned Indenture."

Wells Fargo Bank, National Association, as Trustee

By _____

Authorized Signatory

Dated: _____

If at any time there shall be an Authenticating Agent appointed with respect to any series of Securities, then the Trustee's Certificate of Authentication to be borne by the Securities of each such series shall be substantially as follows:

"This is one of the Securities referred to in the within-mentioned Indenture."

as Authenticating Agent

By: _____

Authorized Signatory

Dated: _____

Section 2.3 Amount Unlimited; Issuable in Series. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to one or more Board Resolutions, an Officer's Certificate detailing such establishment or established in one or more indentures supplemental hereto, prior to the initial issuance of Securities of any series,

1. the designation of the Securities of the series, including CUSIP numbers, which shall distinguish the Securities of the series from the Securities of all other series, and which may be part of a series of Securities previously issued;

2. any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 2.8, 2.9, 2.11, 8.5 or 12.3);

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3. if other than Dollars, the Foreign Currency or Foreign Currencies in which the Securities of the series are denominated;
 4. the date or dates on which the principal of the Securities of the series is payable or the method of determination thereof;
 5. the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable, the terms and conditions of any deferral of interest and the additional interest, if any, thereon, the right, if any, of the Issuer to extend the interest payment periods and the duration of the extensions and the date or dates on which a record shall be taken for the determination of Holders to whom interest is payable and/or the method by which such rate or rates or date or dates shall be determined;
 6. the place or places where and the manner in which, the principal of and any interest on Securities of the series shall be payable, if other than as provided in Section 3.2;
 7. the right, if any, of the Issuer to redeem Securities, in whole or in part, at its option and the period or periods within which, or the date or dates on which, the price or prices at which and any terms and conditions upon which Securities of the series may be so redeemed, pursuant to any sinking fund or otherwise;
 8. the obligation, if any, of the Issuer to redeem, purchase or repay Securities of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a Holder thereof and the price or prices at which and the period or periods within which or the date or dates on which, and any terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;
 9. if the Securities of such series are Subordinated Securities, the terms pursuant to which the Securities of such series will be made subordinate in right of payment to Senior Indebtedness and the definition of such Senior Indebtedness with respect to such series (in the absence of an express statement to the effect that the Securities of such series are subordinate in right of payment to all such Senior Indebtedness, the Securities of such series shall not be subordinate to Senior Indebtedness and shall not constitute Subordinated Securities); and, in the event that the Securities of such series are Subordinated Securities, such Board Resolution, Officer's Certificate or supplemental indenture, as the case may be, establishing the terms of such series shall expressly state which articles, sections or other provisions thereof constitute the "Subordination Provisions" with respect to the Securities of such series;
 10. if other than denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof, the denominations in which Securities of the series shall be issuable;
 11. the percentage of the principal amount at which the Securities will be issued, and, if other than the principal amount thereof, the portion of the principal amount of Securities of the series which shall be payable upon declaration of acceleration of the maturity thereof and the terms and conditions of any acceleration;

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12. if other than the coin, currency or currencies in which the Securities of the series are denominated, the coin, currency or currencies in which payment of the principal of or interest on the Securities of such series shall be payable, including composite currencies or currency units;
 13. if the principal of or interest on the Securities of the series are to be payable, at the election of the Issuer or a Holder thereof, in a coin or currency other than that in which the Securities are denominated, the period or periods within which, and the terms and conditions upon which, such election may be made;
 14. if the amount of payments of principal of and interest on the Securities of the series may be determined with reference to an index or formula based on a coin, currency, composite currency or currency unit other than that in which the Securities of the series are denominated, the manner in which such amounts shall be determined;
 15. whether and under what circumstances the Issuer will pay additional amounts on the Securities of the series held by a person who is not a U.S. person in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether the Issuer will have the option to redeem the Securities of the series rather than pay such additional amounts;
 16. if the Securities of the series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and terms of such certificates, documents or conditions;
 17. any trustees, depositaries, authenticating or paying agents, transfer agents or registrars of any other agents with respect to the Securities of such series;
 18. any deletion from, modification of or addition to the Events of Default or covenants with respect to the Securities of such series;
 19. if the Securities of the series are to be convertible into or exchangeable for any other security or property of the Issuer, including, without limitation, securities of another Person held by the Issuer or its Affiliates and, if so, the terms thereof;
 20. the form of any legend in addition to or in lieu of that in Section 2.4;
 21. whether the Securities in global form may be exchanged for certificated Securities; and
 22. any other terms of the series.

All Securities of any one series shall be substantially identical, except as to denomination and except as may otherwise be provided by or pursuant to the Board Resolution or Officer's Certificate referred to above or as set forth in any indenture supplemental hereto. The Issuer

may, without the consent of the Holders, issue additional Securities of the same series in the future ranking equally with, and otherwise similar in all respects to, the Securities of such series, except for any differences in the issue price and, if applicable, the initial interest accrual date and interest payment date; provided that if the additional debt Securities are not fungible with the debt securities of the series previously offered or sold for U.S. federal income tax purposes, the additional debt securities will have a separate CUSIP or other identifying number as the Securities of the applicable series.

All Securities of any one series need not be issued at the same time and may be issued from time to time without consent of any Holder, consistent with the terms of this Indenture, if so provided by or pursuant to such Board Resolution, such Officer's Certificate or in any indenture supplemental hereto.

Under the Indenture, the Securities of any series and any additional Securities of such series the Issuer may issue in the future will be treated as a single series for all purposes under the Indenture, including for purposes of determining whether the required percentage of the Holders of record of the Securities of such series has given approval or consent to an amendment or waiver or joined in directing the Trustee to take certain actions on behalf of all Holders of the Securities of such series.

Section 2.4 Authentication and Delivery of Securities. The Issuer may deliver Securities of any series executed by the Issuer to the Trustee for authentication together with the applicable documents referred to below in this Section 2.4, and the Trustee shall thereupon authenticate and deliver such Securities to or upon the written order of the Issuer (contained in the Issuer Order referred to below in this Section) or deliver pursuant to such procedures acceptable to the Trustee and to such recipients as may be specified from time to time by an Issuer Order. The maturity date, original issue date, interest rate and any other terms of the Securities of such series shall be determined by or pursuant to such Issuer Order and Sections 2.1, 2.3 and this Section 2.4. In authenticating such Securities and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be provided with (in the case of subparagraphs (2), (3) and (4) below only at or before the time of the first request of the Issuer to the Trustee to authenticate Securities of such series) and (subject to Section 6.1) shall be fully protected in conclusively relying upon, the following enumerated documents unless and until such documents have been superseded or revoked:

(a) an Issuer Order requesting such authentication and setting forth delivery instructions if the Securities are not to be delivered to the Issuer, provided that, with respect to Securities of a series subject to a Periodic Offering, (a) such Issuer Order may be delivered by the Issuer to the Trustee prior to the delivery to the Trustee of such Securities for authentication and delivery, (b) the Trustee shall authenticate and deliver Securities of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount established for such series, pursuant to an Issuer Order or pursuant to procedures acceptable to the Trustee as may be specified from time to time by an Issuer Order and (c) the maturity date or dates, original issue date or dates, interest rate or rates and any other terms of Securities of such series shall be determined by an Issuer Order or pursuant to such procedures;

(b) any Board Resolution, Officer's Certificate and/or executed supplemental indenture referred to in Sections 2.1 and 2.3 by or pursuant to which the forms and terms of the Securities were established;

(c) an Officer's Certificate setting forth the form or forms and terms of the Securities, stating that the form or forms and terms of the Securities have been established pursuant to Sections 2.1 and 2.3 and comply with this Indenture, and covering such other matters as the Trustee may reasonably request; and

(d) Either one or more Opinions of Counsel, or, at the option of the Issuer, a letter addressed to the Trustee permitting it to rely on one or more Opinions of Counsel, substantially to the effect that:

(i) the form or forms of the Securities have been duly authorized and established in conformity with the provisions of this Indenture;

(ii) the terms of the Securities have been duly authorized and established in conformity with the provisions of this Indenture;

(iii) if the terms of the Securities have been established pursuant to a supplemental indenture, such supplemental indenture, when executed by the Issuer and the Trustee in accordance with the provisions of this Indenture, and subject to any exemptions, assumptions and qualifications specified in such Opinion of Counsel, will be a valid and binding obligation of the Issuer, enforceable in accordance with its terms except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, liquidation, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally, (ii) rights of acceleration, if any, and (iii) the availability of equitable remedies may be limited by equitable principles of general applicability, and such counsel need express no opinion with regard to the enforceability of Section 6.6;

(iv) such Securities, when executed by the Issuer and authenticated by the Trustee in accordance with the provisions of this Indenture and delivered to and duly paid for by the purchasers thereof, and subject to any exemptions, assumptions and qualifications specified in such Opinion of Counsel, will be entitled to the benefits of this Indenture, and will be valid and binding obligations of the Issuer, enforceable in accordance with their respective terms except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization, liquidation, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally, (ii) rights of acceleration, if any, and (iii) the availability of equitable remedies may be limited by equitable principles of general applicability, and such counsel need express no opinion with regard to the enforceability of Section 6.6; and

(v) all conditions precedent to the issuance, execution, delivery, authorization and authentication of the Securities have been complied with.

Any counsel may state that such opinions are limited to matters arising under the laws of the State of New York and the General Corporation Law of the State of Delaware. Such counsel may rely upon opinions of other counsel (copies of which shall be delivered to the Trustee) reasonably satisfactory to the Trustee, in which case the opinion shall state that such counsel believes it and the Trustee are entitled so to rely. Such counsel may also state that, insofar as such opinion involves factual matters, it has relied, to the extent he deems proper, upon certificates of officers of the Issuer and its subsidiaries and certificates of public officials.

The Trustee shall have the right to decline to authenticate and deliver any Securities under this section if the Trustee, being advised by counsel, determines that such action may not lawfully be taken by the Issuer or if the Trustee in good faith shall determine that such action would expose the Trustee to personal liability to existing Holders or would affect the Trustee's own rights, duties or immunities under the Securities, this Indenture or otherwise.

If the Issuer shall establish pursuant to Section 2.3 that the Securities of a series are to be issued in the form of one or more Registered Global Securities, then the Issuer shall execute and the Trustee shall, in accordance with this Section and the Issuer Order with respect to such series, authenticate and deliver one or more Registered Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of all of the Securities of such series issued and not yet cancelled, (ii) shall be registered in the name of the Depository for such Registered Global Security or Securities or the nominee of such Depository, (iii) shall be delivered by the Trustee to such Depository or delivered or held pursuant to such Depository's instructions and (iv) shall bear a legend substantially to the following effect: **"UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE REGISTERED FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY."**

Each Depository designated pursuant to Section 2.3 must, at the time of its designation and at all times while it serves as Depository, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation.

The Company initially appoints DTC to act as the Depository for the Securities.

Section 2.5 Execution of Securities. The Securities shall be signed on behalf of the Issuer by the president, any vice president or the treasurer of the Issuer, which may, but need not, be attested. Such signatures may be the manual or facsimile signatures of the present or any future such officers. Typographical and other minor errors or defects in any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Securities shall cease to be such officer before the Security so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Security nevertheless may be authenticated and delivered or disposed of as though the person who signed such Security had not ceased to be such officer of the Issuer; and any Security may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Security, shall be the proper officers of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such an officer.

Section 2.6 Certificate of Authentication. Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee by the manual signature of one of its authorized signatories, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. The execution of such certificate by the Trustee upon any Security executed by the Issuer shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the Holder is entitled to the benefits of this Indenture.

Section 2.7 Denomination and Date of Securities; Payment of Interest. The Securities of each series shall be issuable as Registered Securities in denominations established as contemplated by Section 2.3 or, with respect to the Registered Securities of any series, if not so established, in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. The Securities of each series shall be numbered, lettered or otherwise distinguished in such manner or in accordance with such plan as the officers of the Issuer executing the same may determine, as evidenced by the execution and authentication thereof.

Each Security shall be dated the date of its authentication. The Securities of each series shall bear interest, if any, from the date, and such interest shall be payable on the dates, established as contemplated by Section 2.3.

The person in whose name any Registered Security of any series is registered at the close of business on any record date (whether or not a Business Day) applicable to a particular series with respect to any interest payment date for such series shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Registered Security subsequent to the record date and prior to such interest payment date, except if and to the extent the Issuer shall default in the payment of the interest due on such interest payment date for such series, in which case such defaulted interest shall be paid to the persons in whose names Outstanding Registered Securities for such series are registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest) established by notice sent by or on behalf of the Issuer to the Holders of Registered Securities not less than 15 days preceding such subsequent record date. The term "record date" as used with respect to any interest payment date (except a date for payment of defaulted interest) for the Securities of any series shall mean the date specified as such in the terms of the Registered Securities of such series established as contemplated by

Section 2.3, or, if no such date is so established, if such interest payment date is the first day of a calendar month, the fifteenth day of the preceding calendar month or, if such interest payment date is the fifteenth day of a calendar month, the first day of such calendar month, whether or not such record date is a Business Day.

Section 2.8 Registration, Transfer and Exchange. (a) The Issuer will keep at each office or agency to be maintained for the purpose as provided in Section 3.2 for each series of Securities a register or registers in which, subject to such reasonable regulations as the Issuer may prescribe, it will provide for the registration of Registered Securities of such series and the registration of transfer of Registered Securities of such series. Such register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times such register or registers shall be open for inspection by the Trustee.

Upon due presentation for registration of transfer of any Registered Security of any series at any such office or agency to be maintained for the purpose as provided in Section 3.2, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Registered Security or Registered Securities of the same series, maturity date, interest rate and original issue date in authorized denominations for a like aggregate principal amount.

At the option of the Holder thereof, Registered Securities of any series (other than a Registered Global Security, except as set forth below) may be exchanged for a Registered Security or Registered Securities of such series having authorized denominations and an equal aggregate principal amount, upon surrender of such Registered Securities to be exchanged at the agency of the Issuer that shall be maintained for such purpose in accordance with Section 3.2 and upon payment, if the Issuer shall so require, of the charges hereinafter provided. Whenever any Securities are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive. All Securities surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled and disposed of by the Trustee in accordance with its regular procedures, and, upon the written request of any officer of the Issuer, the Trustee shall deliver evidence of such cancellation to the Issuer.

All Registered Securities presented for registration of transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be duly endorsed, or be accompanied by a written instrument or instruments of transfer in form reasonably satisfactory to the Issuer and the Trustee duly executed, by the Holder or his attorney duly authorized in writing.

The Issuer or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Securities. No service charge shall be made for any such transaction.

Neither the Issuer nor the Registrar shall be required to exchange or register a transfer of (a) any Securities of any series for a period of 15 days preceding the first sending of notice of redemption of Securities of such series to be redeemed and ending at the close of business on the day such notice of redemption is sent or (b) any Securities selected, called or being called for redemption, in whole or in part, except, in the case of any Security to be redeemed in part, the portion thereof not so to be redeemed.

Notwithstanding any other provision of this Section 2.8, except for exchanges in whole or in part for Securities in definitive registered form, a Registered Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depository for such series to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such series or a nominee of such successor Depository.

If at any time the Depository for any Registered Securities of a series represented by one or more Registered Global Securities notifies the Issuer that it is unwilling or unable to continue as Depository for such Registered Securities or if at any time the Depository for such Registered Securities shall no longer be eligible under Section 2.4, the Issuer shall appoint a successor Depository eligible under Section 2.4 with respect to such Registered Securities. If a successor Depository eligible under Section 2.4 for such Registered Securities is not appointed by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such ineligibility, the Issuer's election pursuant to Section 2.3 that such Registered Securities be represented by one or more Registered Global Securities shall no longer be effective and the Issuer will execute, and the Trustee, upon receipt of an Officer's Certificate for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Registered Global Security or Securities representing such Registered Securities in exchange for such Registered Global Security or Securities.

The Issuer may at any time and in its sole discretion determine that the Registered Securities of any series issued in the form of one or more Registered Global Securities shall no longer be represented by a Registered Global Security or Securities. In such event the Issuer will execute, and the Trustee, upon receipt of an Officer's Certificate for the authentication and delivery of definitive Securities of such series, will authenticate and deliver, Securities of such series in definitive registered form without coupons, in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Registered Global Security or Securities representing such Registered Securities, in exchange for such Registered Global Security or Securities.

If specified by the Issuer pursuant to Section 2.3 with respect to Securities represented by a Registered Global Security, the Depository for such Registered Global Security may surrender such Registered Global Security in exchange in whole or in part for Securities of the same series in definitive registered form on such terms as are acceptable to the Issuer and such Depository. Thereupon, the Issuer shall execute, and the Trustee shall authenticate and deliver, without service charge,

(a) to the Person specified by such Depository a new Registered Security or Securities of the same series, of any authorized denominations as requested by such Person, in an aggregate principal amount equal to and in exchange for such Person's beneficial interest in the Registered Global Security; and

(b) to such Depository a new Registered Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Registered Global Security and the aggregate principal amount of Registered Securities authenticated and delivered pursuant to clause (i) above.

Upon the exchange of a Registered Global Security for Securities in definitive registered form without coupons, in authorized denominations, such Registered Global Security shall be cancelled by the Trustee. Securities in definitive registered form without coupons issued in exchange for a Registered Global Security pursuant to this Section 2.8 shall be registered in such names and in such authorized denominations as the Depository for such Registered Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or an agent of the Issuer or the Trustee. The Trustee or such agent shall deliver such Securities to or as directed by the Persons in whose names such Securities are so registered.

All Securities issued upon any transfer or exchange of Securities shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such transfer or exchange.

Neither the Issuer nor the Trustee shall have any responsibility for any actions taken or not taken by the Depository. All Securities issued in definitive registered form, as described herein, shall be in "registered form" for purposes of Section 163(f) of the Internal Revenue Code of 1986, as amended.

The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Security (including any transfers between or among Depository participants or beneficial owners of interests in any Registered Global Security) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Neither the Trustee nor any Agent shall have any responsibility for any actions taken or not taken by the Depository.

Section 2.9 Mutilated, Defaced, Destroyed, Lost and Stolen Securities. In case any temporary or definitive Security shall be mutilated, defaced, destroyed, lost or stolen, the Issuer in its discretion may execute and, upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Security of the same series, maturity date, interest rate and original issue date, bearing a number or other distinguishing symbol not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In every case, the applicant for a substitute Security shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as required by them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft, evidence to their reasonable satisfaction of the destruction, loss or theft of such Security and of the ownership thereof, and in the case of mutilation or defacement shall surrender the Security to the Trustee or such agent.

Upon the issuance of any substitute Security, the Issuer or the Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) or its agent connected therewith. In case any Security which has matured or is about to mature or has been called for redemption in full shall become mutilated or defaced or be destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Security), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their reasonable satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

Every substitute Security of any series issued pursuant to the provisions of this Section by virtue of the fact that any such Security is destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone and shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Securities of such series duly authenticated and delivered hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, defaced or destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.10 Cancellation of Securities; Disposal Thereof. All Securities surrendered for payment, redemption, registration of transfer or exchange, or for credit against any payment in respect of a sinking or analogous fund, if any, if surrendered to the Issuer or any agent of the Issuer or the Trustee or any agent of the Trustee, shall be delivered to the Trustee or its agent for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee or its agent shall dispose of cancelled Securities held by it in accordance with its regular procedures and deliver evidence of such cancellation to the Issuer upon the Issuer's request in writing. If the Issuer or its agent shall acquire any of the Securities, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are delivered to the Trustee or its agent for cancellation.

Section 2.11 Temporary Securities. Pending the preparation of definitive Securities for any series, the Issuer may execute and the Trustee shall authenticate and deliver temporary Securities for such series (printed, lithographed, typewritten or otherwise reproduced, in each case in form reasonably satisfactory to the Trustee). Temporary Securities of any series shall be issuable as Registered Securities without coupons of any authorized denomination, and substantially in the form of the definitive Securities of such series but with such omissions,

insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Issuer with the concurrence of the Trustee as evidenced by the execution and authentication thereof. Temporary Securities may contain such references to any provisions of this Indenture as may be appropriate. Every temporary Security shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. Without unreasonable delay the Issuer shall execute and shall furnish definitive Securities of such series and thereupon temporary Registered Securities of such series may be surrendered in exchange therefor without charge at each office or agency to be maintained by the Issuer for that purpose pursuant to Section 3.2 and the Trustee shall authenticate and deliver in exchange for such temporary Securities of such series an equal aggregate principal amount of definitive Securities of the same series having authorized denominations. Until so exchanged, the temporary Securities of any series shall be entitled to the same benefits under this Indenture as definitive Securities of such series, unless otherwise established pursuant to Section 2.3.

Section 2.12 Cusip Numbers. The Issuer in issuing the Securities may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

ARTICLE III

COVENANTS OF THE ISSUER

Section 3.1 Payment of Principal and Interest. The Issuer covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of, and interest on, if any, each of the Securities of such series (together with any additional amounts payable pursuant to the terms of such Securities) at the place or places, at the respective time or times and in the manner provided in such Securities and in this Indenture. The interest, if any, on Registered Securities (together with any additional amounts payable pursuant to the terms of such Securities) shall be payable only to or upon the written order of the Holders thereof and, at the option of the Issuer, may be paid by wire transfer to an account within the United States or by mailing checks for such interest payable to or upon the written order of such Holders at their last addresses as they appear on the Securities register of the Issuer.

Section 3.2 Offices for Payments, Etc. So long as any Registered Securities are authorized for issuance pursuant to this Indenture or are outstanding hereunder, the Issuer will maintain in Minneapolis, Minnesota an office or agency where the Registered Securities of each series may be presented for payment, where the Securities of each series may be presented for exchange as is provided in this Indenture and, if applicable, pursuant to Section 2.3 and where the Registered Securities of each series may be presented for registration of transfer as in this Indenture provided.

The Issuer will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. In case the Issuer shall fail to maintain any agency required by this Section to be located in Minneapolis, Minnesota, or shall fail to give such notice of the location or for any change in the location of any of the above agencies, presentations and demands may be made and notices may be served at the designated office of the Trustee.

The Issuer may from time to time designate one or more additional offices or agencies in the continental United States where the Securities of a series may be presented for payment, where the Securities of that series may be presented for exchange as provided in this Indenture and pursuant to Section 2.3 and where the Registered Securities of that series may be presented for registration of transfer as in this Indenture provided, and the Issuer may from time to time rescind any such designation, as the Issuer may deem desirable or expedient; provided, that no such designation or rescission shall in any manner relieve the Issuer of its obligations to maintain the agencies provided for in this Section. The Issuer shall give to the Trustee prompt written notice of any such designation or rescission thereof.

Section 3.3 Appointment to Fill a Vacancy in Office of Trustee. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 6.10, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

Section 3.4 Paying Agents. Whenever the Issuer shall appoint a paying agent other than the Trustee with respect to the Securities of any series, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section,

(a) that it will hold all sums received by it as such agent for the payment of the principal of or interest on the Securities of such series (whether such sums have been paid to it by the Issuer or by any other obligor on the Securities of such series) in trust for the benefit of the Holders of the Securities of such series or of the Trustee;

(b) that it will give the Trustee written notice of any failure by the Issuer (or by any other obligor on the Securities of such series) to make any payment of the principal of or interest on the Securities of such series when the same shall be due and payable; and

(c) that it will pay any such sums so held in trust by it to the Trustee upon the Trustee's written request at any time during the continuance of the failure referred to in the foregoing clause (b).

The Issuer will, on or prior to each due date of the principal of or interest on the Securities of such series, deposit with the paying agent a sum sufficient to pay such principal or interest so becoming due, and (unless such paying agent is the Trustee) the Issuer will promptly notify the Trustee of any failure to take such action.

If the Issuer shall act as its own paying agent with respect to the Securities of any series, it will, on or before each due date of the principal of or interest on the Securities of such series, set aside, segregate and hold in trust for the benefit of the Holders of the Securities of such series a sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee in writing of any failure to take such action.

Anything in this Section to the contrary notwithstanding, but subject to Section 10.1, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for any such series by the Issuer or any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 10.3 and 10.4.

Section 3.5 Compliance Certificates. The Issuer will furnish to the Trustee on or before the date that is 120 days following the end of each fiscal year (beginning with the fiscal year ended December 31, 2019) an officer's certificate (which need not comply with Section 11.5) from the principal executive, financial or accounting officer of the Issuer stating that in the course of the performance by the signer of his or her duties as an officer of the Issuer he or she would normally have knowledge of any default or non-compliance by the Issuer in the performance of any covenants or conditions contained in this Indenture, stating whether or not he or she has knowledge of any such default or non-compliance (without regard to notice requirements or grace periods) and, if so, describing each such default or non-compliance of which the signer has knowledge and the nature thereof.

The Issuer shall deliver to the Trustee, as soon as possible and in any event within five days after the Issuer becomes aware of the occurrence of any Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officer's Certificate setting forth the details of such Event of Default or default and the action which the Issuer proposes to take with respect thereto.

Section 3.6 Corporate Existence. Subject to Article IX, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the rights (charter and statutory), licenses and franchises of the Issuer and its Subsidiaries; provided, that the Issuer shall not be required to preserve any such right, license or franchise, if, in the judgment of the Issuer, the preservation thereof is no longer desirable in the conduct of the business of the Issuer and its Subsidiaries taken as a whole and the loss thereof is not disadvantageous in any material respect to the Securityholders.

Section 3.7 Calculation of Original Issue Discount. Upon the issuance of an Original Issue Discount Security, the Issuer shall file with the Trustee promptly at the end of each calendar year (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on Outstanding Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE IV

SECURITYHOLDER LISTS AND REPORTS BY THE ISSUER AND THE TRUSTEE

Section 4.1 Issuer to Furnish Trustee Information As to Names and Addresses of Securityholders If and so long as the Trustee shall not be the Registrar for the Securities of any series, the Issuer and any other obligor on the Securities will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the Holders of the Registered Securities of such series pursuant to Section 312 of the Trust Indenture Act:

(a) semi-annually not more than 5 days after each record date for the payment of interest on such Registered Securities, as hereinabove specified, as of such record date and on dates to be determined pursuant to Section 2.3 for non-interest bearing Registered Securities in each year; and

(b) at such other times as the Trustee may reasonably request in writing, within 30 days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished.

Section 4.2 Reports by the Issuer. The Issuer covenants to file with the Trustee, within 15 days after the Issuer is required to file the same with the Commission, copies of the annual reports and of the information, documents, and other reports that the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act or pursuant to Section 314 of the Trust Indenture Act. Reports, information and documents filed with the SEC via the EDGAR system will be deemed to be delivered to the Trustee as of the time of such filing via EDGAR for purposes of this Section 4.2.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 4.3 Reports by the Trustee.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. If required by Section 313(a) of the Trust Indenture Act, the Trustee shall, within sixty days after each May 15 following the date of the initial issuance of Securities under this Indenture deliver to Holders a brief report, dated as of such May 15, which complies with the provisions of such Section 313(a).

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange, if any, upon which the Securities are listed, with the Commission and with the Issuer. The Issuer will promptly notify the Trustee in writing when the Securities are listed on any stock exchange and of any delisting thereof.

ARTICLE V

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

Section 5.1 Event of Default Defined, Acceleration of Maturity; Waiver of Default “Event of Default” with respect to Securities of any series, wherever used herein, means any one of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any installment of interest upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of 30 days; provided that, a valid extension of an interest payment period by the Issuer in accordance with the terms of such Securities shall not constitute a failure to pay interest; or

(b) default in the payment of all or any part of the principal or premium (if any) on any of the Securities of such series as and when the same shall become due and payable either at maturity, upon any redemption, by declaration or otherwise; or

(c) failure on the part of the Issuer duly to observe or perform any other of the covenants or agreements on the part of the Issuer in the Securities of such series or contained in this Indenture (other than a covenant or agreement included in this Indenture solely for the benefit of a series of Securities other than such series) for a period of 90 days after the date on which written notice specifying such failure, stating that such notice is a “Notice of Default” hereunder and demanding that the Issuer remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Issuer by the Trustee, or to the Issuer and the Trustee by the holders of at least 25% in aggregate principal amount of the Outstanding Securities of the series to which such covenant or agreement relates; or

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer for any substantial part of its property or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(e) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Issuer or for any substantial part of its or their property, or make any general assignment for the benefit of creditors; or

(f) any other Event of Default provided in the supplemental indenture, Board Resolution or Officer's Certificate under which such series of Securities is established.

If an Event of Default described in clause (a), (b), (c) or (f) occurs with respect to a series of Securities and is continuing, then, and in each and every such case, except for any series of Securities the principal of which shall have already become due and payable, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities of each such affected series then Outstanding hereunder (each such series voting as a separate class) by notice in writing to the Issuer (and to the Trustee if given by Securityholders), may declare the entire principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all Securities of such series, and the interest accrued thereon, if any, to be due and payable immediately, and upon any such declaration, the same shall become immediately due and payable.

If an Event of Default described in clause (d) or (e) above occurs and is continuing, then the principal amount of all the Securities then Outstanding, and the interest accrued thereon, if any, shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The foregoing provisions are subject to the condition that if, at any time after the principal (or, if the Securities are Original Issue Discount Securities, such portion of the principal as may be specified in the terms thereof) of the Securities of any series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided,

- (i) the Issuer shall pay or shall deposit with the Trustee a sum sufficient to pay
 - (1) all amounts payable to the Trustee pursuant to Section 6.6;
 - (2) all matured installments of interest upon all the Securities of such series (or all the Securities, as the case may be); and
 - (3) the principal of any and all Securities of such series (or of all the Securities, as the case may be) which shall have become due otherwise than by acceleration; and
 - (4) interest upon such principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series (or at the respective rates of interest or Yields to Maturity of all the Securities, as the case may be) to the date of such payment or deposit; and

(ii) all Events of Default under the Indenture, other than the non-payment of the principal of Securities which shall have become due by acceleration, shall have been cured, waived or otherwise remedied as provided herein,

then and in every such case the Holders of a majority in aggregate principal amount of all the Securities of such series voting as a separate class (or of all the Securities, as the case may be, voting as a single class), then Outstanding, by written notice to the Issuer and to the Trustee, may waive all defaults with respect to such series (or with respect to all the Securities, as the case may be) and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.

For all purposes under this Indenture, if a portion of the principal of any Original Issue Discount Securities shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Original Issue Discount Securities shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Original Issue Discount Securities.

Section 5.2 Collection of Indebtedness by Trustee; Trustee May Prove Debt. The Issuer covenants that (a) in case default shall be made in the payment of any installment of interest on any of the Securities of any series when such interest shall have become due and payable, and such default shall have continued for a period of 30 days, or (b) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any series when the same shall have become due and payable, whether upon maturity of the Securities of such series or upon any redemption or by declaration or otherwise, then upon demand of the Trustee, the Issuer will pay to the Trustee for the benefit of the Holders of the Securities of such series the whole amount that then shall have become due and payable on all Securities of such series, for principal and interest, as the case may be (with interest to the date of such payment upon the overdue principal and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series); and in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, and such other amount due the Trustee under Section 6.6 in respect of Securities of such series.

Until such demand is made by the Trustee, the Issuer may pay the principal of and interest on the Securities of any series to the registered Holders, whether or not the Securities of such series be overdue.

In case the Issuer shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may

enforce any such judgment or final decree against the Issuer or other obligor upon the Securities and collect in the manner provided by law out of the property of the Issuer or other obligor upon the Securities, wherever situated, all the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings relative to the Issuer or any other obligor upon the Securities under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Issuer or its property or such other obligor, or in case of any other comparable judicial proceedings relative to the Issuer or other obligor upon the Securities, or to the creditors or property of the Issuer or such other obligor, the Trustee, irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise:

(a) to file and prove a claim or claims for the whole amount of principal and interest (or, if the Securities of any series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) owing and unpaid in respect of the Securities of any series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts payable to the Trustee under Section 6.6) and of the Securityholders allowed in any judicial proceedings relative to the Issuer or other obligor upon the Securities, or to the creditors or property of the Issuer or such other obligor; and

(b) unless prohibited by applicable law and regulations, to vote on behalf of the holders of the Securities of any series in any election of a receiver, assignee, trustee or a standby trustee in arrangement, reorganization, liquidation or other bankruptcy or insolvency proceedings, custodian or other person performing similar functions in respect of any such proceedings; and

(c) to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Securityholders and of the Trustee on their behalf; and any trustee, receiver, or liquidator, custodian or other similar official performing similar functions in respect of any such proceedings is hereby authorized by each of the Securityholders to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the Securityholders, to pay to the Trustee its costs and expenses of collection and all other amounts due to it pursuant to Section 6.6.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding, except as aforesaid in clause (b).

All rights of action and of asserting claims under this Indenture, or under any of the Securities of any series, may be enforced by the Trustee without the possession of any of the Securities of such series or the production thereof in any trial or other proceedings relative thereto, and any such action or proceedings instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be awarded to the Trustee for ratable distribution to the Holders of the Securities in respect of which such action was taken, after payment of all sums due to the Trustee under Section 6.6 in respect of such Securities.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of the Securities in respect to which such action was taken, and it shall not be necessary to make any Holders of such Securities parties to any such proceedings.

Section 5.3 Application of Proceeds. Any moneys collected by the Trustee pursuant to this Article in respect of any series shall be applied in the following order at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal or interest, upon presentation of the several Securities in respect of which monies have been collected and stamping (or otherwise noting) thereon the payment, or issuing Securities of such series in reduced principal amounts in exchange for the presented Securities of like series if only partially paid, or upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses applicable to such series of Securities in respect of which monies have been collected, including all amounts due to the Trustee and each predecessor Trustee pursuant to this Indenture in respect to such series of Securities;

SECOND: If the Securities of such series are Subordinated Securities, to the payment of amounts then due and unpaid to the holders of Senior Indebtedness with respect to such series, to the extent required pursuant to the Subordination Provisions established with respect to the Securities of such series pursuant to Section 2.3(9).

THIRD: In case the principal of the Securities of such series in respect of which moneys have been collected shall not have become and be then due and payable, to the payment of interest on the Securities of such series in default in the order of the maturity of the installments on such interest, with interest (to the extent that such interest has been collected by the Trustee and is permitted by applicable law) upon the overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in such Securities, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

FOURTH: In case the principal of the Securities of such series in respect of which moneys have been collected shall have become and shall be then due and payable, to the payment of the whole amount then owing and unpaid upon all the Securities of such series for principal and interest, with interest upon the overdue principal, and (to the extent that such interest has been collected by the Trustee and is permitted by applicable law) upon the overdue installments of interest at the same rate as the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) specified in the Securities of such series; and in case such

moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities of such series, then to the payment of such principal and interest or Yield to Maturity, without preference or priority of principal over interest or Yield to Maturity, or of interest or Yield to Maturity over principal, or of any installment of interest over any other installment of interest or of any Security of such series over any other Security of such series, ratably to the aggregate of such principal and accrued and unpaid interest or Yield to Maturity; and

FIFTH: To the payment of the remainder, if any, to the Issuer or to such party as a court of competent jurisdiction shall direct.

Section 5.4 Suits for Enforcement. In case an Event of Default has occurred, has not been waived and is continuing, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 5.5 Restoration of Rights on Abandonment of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee and the Securityholders shall continue as though no such proceedings had been taken.

Section 5.6 Limitations on Suits by Security Holders. No Holder of any Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any action or proceeding at law or in equity or in bankruptcy or otherwise upon or under or with respect to this Indenture or such Security, or for the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy hereunder or thereunder, unless (a) an Event of Default has occurred and is continuing and such Holder previously shall have given to a Responsible Officer of the Trustee written notice of an Event of Default with respect to Securities of such series and of the continuance thereof, as hereinbefore provided, and (b) the Holders of not less than 25% in aggregate principal amount of the Securities of such affected series then Outstanding (treated as a single class) shall have made written request upon the Trustee to institute such action or proceedings in its own name as Trustee hereunder and shall have offered to the Trustee security or indemnity reasonably satisfactory to it against losses, costs, expenses and liabilities to be incurred therein or thereby, and (c) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding, and (d) no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.9; it being understood and intended, and being expressly covenanted by the taker and Holder of every Security with every other taker and Holder and the Trustee, that no one or more Holders of Securities of any series shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture or any Security to affect, disturb or prejudice the rights of any other such taker or Holder of Securities (it being understood that the Trustee shall not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to any other Holder), or to obtain or seek to obtain priority over or preference to any other such taker or Holder or to

enforce any right under this Indenture or any Security, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of Securities of the applicable series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Section 5.7 Unconditional Right of Securityholders to Institute Certain Suits Notwithstanding any other provision in this Indenture and any provision of any Security, the right of any Holder of any Security to receive payment of the principal of and interest on such Security on or after the respective due dates expressed in such Security or the applicable redemption dates provided for in such Security, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 5.8 Powers and Remedies Cumulative; Delay or Omission Not Waiver of Default Except as provided in Section 5.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Trustee or of any Holder of Securities to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Indenture, any Security or law to the Trustee or to the Holders of Securities may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or, subject to Section 5.6, by the Holders of Securities.

Section 5.9 Control by Holders of Securities. The Holders of a majority in aggregate principal amount of the Securities of each series affected (with each such series voting as a separate class) at the time Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to the Securities of such series by this Indenture; provided, that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture; and provided, further, that (subject to the provisions of Section 6.1) the Trustee shall have the right to decline to follow any such direction if (a) the Trustee, being advised by counsel, shall determine that the action or proceeding so directed may not lawfully be taken; or (b) if the Trustee shall determine in good faith that the action or proceedings so directed would involve the Trustee in personal liability; or (c) if the Trustee in good faith shall so determine that the actions or forbearances specified in or pursuant to such direction would be unduly prejudicial to the interests of Holders of the Securities of all affected series not joining in the giving of said direction, it being understood that (subject to Section 6.1) the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders.

Nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction or directions by Securityholders.

Section 5.10 Waiver of Past Defaults. Prior to the declaration of acceleration of the maturity of the Securities of any series as provided in Section 5.1, the Holders of a majority in aggregate principal amount of the Securities of such series at the time Outstanding (voting as a single class) may on behalf of the Holders of all such Securities waive any past default or Event of Default described in Section 5.1 and its consequences, except a default in respect of a covenant or provision hereof which cannot be modified or amended without the consent of the Holder of each Security affected. In the case of any such waiver, the Issuer, the Trustee and the Holders of all such Securities shall be restored to their former positions and rights hereunder, respectively, and such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 5.11 Trustee to Give Notice of Default, But May Withhold in Certain Circumstances The Trustee shall, within ninety (90) days after the occurrence of a default with respect to the Securities of any series, give written notice of all defaults with respect to that series for which the Trustee has received written notice or which is actually known to a Responsible Officer to all Holders of Securities of such series in the manner and to the extent provided in Section 313(c) of the Trust Indenture Act, unless such defaults shall have been cured before the sending of such notice (the term "default" for the purpose of this Section being hereby defined to mean any event or condition which is, or with notice or lapse of time or both would become, an Event of Default); provided, that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series the Trustee shall be protected in withholding such notice if and so long as it in good faith determines that the withholding of such notice is in the interests of the Securityholders of such series.

Section 5.12 Right of Court to Require Filing of Undertaking to Pay Costs All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder or group of Securityholders of any series holding in the aggregate more than 10% in aggregate principal amount of the Securities of such series, or, in the case of any suit relating to or arising under clause (c) or (f) of Section 5.1 (if the suit relates to Securities of more than one but less than all series), 10% in aggregate principal amount of Securities then Outstanding and affected thereby, or in the case of any suit relating to or arising under clause (c) or (f) (if the suit under clause (c) or (f) relates to all the Securities then Outstanding), or (d) or (e) of Section 5.1, 10% in aggregate principal amount of all Securities then Outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or interest on any Security on or after the due date expressed in such Security or any date fixed for redemption.

ARTICLE VI

CONCERNING THE TRUSTEE

Section 6.1 Duties and Responsibilities of the Trustee; During Default; Prior to Default Prior to the occurrence of an Event of Default with respect to the Securities of a particular series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture with respect to such series of Securities. In case an Event of Default with respect to the Securities of a series has occurred and has not been cured or waived and for which the Trustee has received written notice or which is actually known to a Responsible Officer of the Trustee, the Trustee shall exercise with respect to such series of Securities such of the rights and powers vested in it by this Indenture with respect to such series of Securities, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(a) prior to the occurrence of an Event of Default for which the Trustee has received written notice or which is actually known to a Responsible Officer of the Trustee with respect to the Securities of any series and after the curing or waiving of all such Events of Default with respect to such series which may have occurred:

(i) the duties and obligations of the Trustee with respect to the Securities of any series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of negligence and willful misconduct on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein);

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders pursuant to Section 5.9 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

The provisions of this Section 6.1 are in furtherance of and subject to Section 315 of the Trust Indenture Act.

Section 6.2 Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act, and subject to Section 6.1:

- (a) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, Officer's Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;
- (b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officer's Certificate or Issuer Order (unless other evidence in respect thereof is specifically prescribed herein or in the terms established in respect of any series); and any resolution of the Board of Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer;
- (c) the Trustee may consult with counsel of its selection, and any verbal or written advice or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel;
- (d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee security or indemnity reasonably satisfactory to the Trustee against the costs, losses, expenses and liabilities which might be incurred therein or thereby;
- (e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;
- (f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless (i) requested in writing so to do by the Holders of not less than a majority in aggregate principal amount of the Securities of all series

affected then Outstanding (treated as one class) or (ii) otherwise provided in the terms of any series of Securities pursuant to Section 2.3; provided, that, the Trustee shall require security or indemnity reasonably satisfactory to it against such losses, costs, expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Issuer or, if paid by the Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any negligence or willful misconduct on the part of any such agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall not be deemed to have notice of any Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact an Event of Default is received by the Trustee at the Corporate Trust Office and such notice references the Securities, the Issuer or this Indenture;

(i) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(j) the Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which certificate may be signed by any person authorized to sign an Officer's Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded;

(k) in no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(l) the Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder;

(m) the Trustee shall not have any duty to calculate or verify any calculations; and

(n) the permissive rights or powers of the Trustee to take or refrain from taking any actions enumerated in this Indenture shall not be construed as a duty of the Trustee.

(o) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Securities.

Section 6.3 Trustee Not Responsible for Recitals, Disposition of Securities or Application of Proceeds Thereof The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Issuer of any of the Securities or of the proceeds thereof.

Section 6.4 Trustee and Agents May Hold Securities; Collections, Etc. The Trustee or any agent of the Issuer or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not the Trustee or such agent and may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent.

Section 6.5 Moneys Held by Trustee. Subject to the provisions of Section 10.4 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

Section 6.6 Compensation and Indemnification of Trustee and Its Prior Claim. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation as the Issuer and the Trustee shall agree in writing (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its own negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction. The Issuer also covenants to indemnify each of the Trustee or any predecessor Trustee and their agents for, and to hold them harmless against, any and all loss, damage, claims, liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee), arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including without limitation expenses and costs (including reasonable attorneys' fees and expenses and court costs) incurred in connection with any action, claim or suit brought to enforce the Trustee's right to indemnification and including the costs and expenses of defending itself against any claim (whether asserted by the Issuer, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, or in connection with enforcing the provisions of this Section, except to the extent that such loss, damage, claim, liability or expense is determined to have been caused by its own negligence or willful misconduct, as finally adjudicated by a court of competent jurisdiction. When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 5.1(d) or Section 5.1(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable bankruptcy, insolvency or other similar law. The obligations of the Issuer under this Section to compensate and indemnify the Trustee and each predecessor trustee and to pay or reimburse the Trustee and each predecessor trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee. Such additional indebtedness shall be a senior claim to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Securities, and the Securities are hereby subordinated to such senior claim.

Section 6.7 Right of Trustee to Rely on Officer's Certificate, Etc. Subject to Sections 6.1 and 6.2, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate delivered to the Trustee, and such certificate, in the absence of negligence or willful misconduct on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

Section 6.8 Indentures Not Creating Potential Conflicting Interests for the Trustee The following indentures are hereby specifically described for the purposes of Section 310(b)(1) of the Trust Indenture Act: this Indenture with respect to series of Securities that are of an equal priority.

Section 6.9 Qualification of Trustee: Conflicting Interests. The Trustee shall comply with Section 310(b) of the Trust Indenture Act.

Section 6.10 Persons Eligible for Appointment As Trustee The Trustee for each series of Securities hereunder shall at all times be a corporation or banking association organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, having a combined capital and surplus of at least \$50,000,000, and which is authorized under such laws to exercise corporate trust powers and is subject to supervision or examination by Federal, state or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 6.11.

The provisions of this Section 6.10 are in furtherance of and subject to Section 310(a) of the Trust Indenture Act.

Section 6.11 Resignation and Removal; Appointment of Successor Trustee. (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of resignation to the Issuer. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee or trustees. If no successor trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the sending of such

notice of resignation, the resigning trustee may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor trustee, or any Securityholder who has been a bona fide Holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 5.12, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act with respect to any series of Securities after written request therefor by the Issuer or by any Securityholder; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 6.10 and Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Issuer or by any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months; or

(iii) the Trustee shall become incapable of acting with respect to any series of Securities, or shall be adjudged bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Issuer may remove the Trustee with respect to the applicable series of Securities and appoint a successor trustee for such series by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to the provisions of Section 315(e) of the Trust Indenture Act, any Securityholder who has been a bona fide Holder of a Security or Securities of such series for at least six months may on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon, after such notice, if any, as it may deem proper and so prescribe, remove the Trustee and appoint a successor trustee.

(c) The Holders of a majority in aggregate principal amount of the Securities of each series at the time outstanding may at any time remove the Trustee with respect to Securities of such series and appoint a successor trustee with respect to the Securities of such series by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 7.1 of the action in that regard taken by the Securityholders by notice in writing not less than 30 days prior to the effective date of such removal.

(d) Any resignation or removal of the Trustee with respect to any series and any appointment of a successor trustee with respect to such series pursuant to any of the provisions of this Section 6.11 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 6.12.

Section 6.12 Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 6.11 shall execute and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee with respect to all or any applicable series shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee for such series hereunder; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall, subject to Section 10.4, pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 6.6.

If a successor trustee is appointed with respect to the Securities of one or more (but not all) series, the Issuer, the predecessor trustee and each successor trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor trustee with respect to the Securities of any series as to which the predecessor trustee is not retiring shall continue to be vested in the predecessor trustee, and shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such trustees co-trustees of the same trust and that each such trustee shall be trustee of a trust or trusts under separate indentures.

No successor trustee with respect to any series of Securities shall accept appointment as provided in this Section 6.12 unless at the time of such acceptance such successor trustee shall be qualified under Section 310(b) of the Trust Indenture Act and eligible under the provisions of Section 6.10.

Upon acceptance of appointment by any successor trustee as provided in this Section 6.12, the Issuer shall give notice thereof to the Holders by sending such notice to such Holders in accordance with Applicable Procedures. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 6.11. If the Issuer fails to give such notice within ten days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Issuer. The resigning Trustee shall have no responsibility or liability for any action or inaction of a successor Trustee.

Section 6.13 Merger, Conversion, Consolidation or Succession to Business of Trustee. Any corporation or banking association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or banking association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or banking association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided, that such corporation or banking association shall be qualified under Section 310(b) of the Trust Indenture Act and eligible under the provisions of Section 6.10, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities of any series shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities of any series shall not have been authenticated, any such successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificate of authentication shall have the full force which under this Indenture or the Securities of such series it is provided that the certificate of authentication of the Trustee shall have; provided, that the right to adopt the certificate of authentication of any predecessor trustee or to authenticate Securities of any series in the name of any predecessor trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 6.14 Preferential Collection of Claims Against the Issuer. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indicated.

Section 6.15 Appointment of Authenticating Agent. As long as any Securities of a series remain Outstanding, the Trustee may, by an instrument in writing, appoint with the approval of the Issuer an authenticating agent (the "Authenticating Agent") which shall be authorized to act on behalf of the Trustee to authenticate Securities, including Securities issued upon exchange, registration of transfer, partial redemption or pursuant to Section 2.9. Securities of each such series authenticated by such Authenticating Agent shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee. Whenever reference is made in this Indenture to the authentication and delivery of Securities of any series by the Trustee or to the Trustee's Certificate of Authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent for such series and a Certificate of Authentication executed on behalf of the Trustee by such Authenticating Agent. Such Authenticating Agent shall at all times be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 (determined as provided in Section 6.10 with respect to the Trustee) and subject to supervision or examination by Federal or state authority.

Any corporation into which any Authenticating Agent may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency business of any Authenticating Agent, shall continue to be the Authenticating Agent with respect to all series of Securities for which it served as Authenticating Agent without the execution or filing of any paper or any further act on the part of the Trustee or such Authenticating Agent. Any Authenticating Agent may at any time, and if it shall cease to be eligible shall, resign by giving written notice of resignation to the Trustee and to the Issuer.

Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.15 with respect to one or more series of Securities, the Trustee shall upon receipt of an Issuer Order appoint a successor Authenticating Agent, and the Issuer shall provide notice of such appointment to all Holders of Securities of such series in the manner and to the extent provided in Section 11.4. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all rights, powers, duties and responsibilities of its predecessor hereunder, with like effect as if originally named as Authenticating Agent. The Issuer agrees to pay to the Authenticating Agent for such series from time to time reasonable compensation. The Authenticating Agent for the Securities of any series shall have no responsibility or liability for any action taken by it as such at the direction of the Trustee.

Sections 6.2, 6.3, 6.4, 6.6 and 7.3 shall be applicable to any Authenticating Agent.

ARTICLE VII

CONCERNING THE SECURITYHOLDERS

Section 7.1 Evidence of Action Taken by Securityholders Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by a specified percentage in principal amount of the Securityholders of any or all series may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such specified percentage of Securityholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 6.1 and 6.2) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article.

Section 7.2 Proof of Execution of Instruments and of Holding of Securities. Subject to Sections 6.1 and 6.2, the execution of any instrument by a Securityholder or his agent or proxy may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be reasonably satisfactory to the Trustee. The holding of Registered Securities shall be proved by the Security register or by a certificate of the Registrar thereof.

Section 7.3 Holders to be Treated As Owners The Issuer, the Trustee and any agent of the Issuer or the Trustee shall deem and treat the person in whose name any Security shall be

registered upon the Security register and books of the Registrar for such series as the absolute owner of such Security (whether or not such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Indenture, interest on such Security and for all other purposes; and neither the Issuer nor the Trustee nor any agent of the Issuer or the Trustee shall be affected by any notice to the contrary.

Section 7.4 Securities Owned by Issuer Deemed Not Outstanding In determining whether the Holders of the requisite aggregate principal amount of Outstanding Securities of any or all series have concurred in any request, demand, authorization, direction, notice, consent, waiver or other action by Securityholders under this Indenture, Securities which are owned by the Issuer or any other obligor on the Securities with respect to which such determination is being made or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities with respect to which such determination is being made shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such action only Securities which a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Issuer or any other obligor upon the Securities or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Securities. In case of a dispute as to such right, the advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officer's Certificate listing and identifying all Securities, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons; and, subject to Sections 6.1 and 6.2, the Trustee shall be entitled to accept such Officer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are Outstanding for the purpose of any such determination.

Section 7.5 Right of Revocation of Action Taken At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 7.1, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action, any Holder of a Security the serial number of which is shown by the evidence to be included among the serial numbers of the Securities the Holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Security. Except as aforesaid, any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor or on registration of transfer thereof, irrespective of whether or not any notation in regard thereto is made upon any such Security. Any action taken by the Holders of the percentage in aggregate principal amount of the Securities of any or all series, as the case may be, specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the Holders of all the Securities affected by such action.

ARTICLE VIII

SUPPLEMENTAL INDENTURES

Section 8.1 Supplemental Indentures Without Consent of Securityholders. The Issuer, when authorized by a Board Resolution (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order), and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

- (a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Securities of one or more series any property or assets;
- (b) to evidence the succession of another corporation to the Issuer, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Issuer pursuant to Article IX;
- (c) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions as the Issuer shall consider to be for the protection of the Holders of Securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the Holders of a majority in aggregate principal amount of the Securities of such series to waive such an Event of Default;
- (d) to add any additional Events of Default for the benefit of the Holders (as determined by the Issuer) of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series);
- (e) to add one or more guarantees for the benefit of Holders of the Securities;
- (f) subject to any limitations established pursuant to Section 2.3, to provide for the issuance of additional Securities of any series;
- (g) to comply with the rules of any applicable Depositary;
- (h) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in uncertificated form;
- (i) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities; provided that any such addition, change or

elimination (A) shall neither (i) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (ii) modify the rights of the Holder of any such Security with respect to such provision or (B) shall become effective only when there is no Security described in clause (A)(i) Outstanding;

(j) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Section 10.1; provided that any such action shall not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect;

(k) to comply with the rules or regulations of any securities exchange or automated quotation system on which any of the Securities may be listed or traded;

(l) to add to, change or eliminate any of the provisions of this Indenture as shall be necessary in accordance with any amendments to the Trust Indenture Act;

(m) to cure any ambiguity, defect, omission or inconsistency or to correct or supplement any provision contained herein or in any supplemental indenture which may be ambiguous, defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make any other provisions as the Issuer may deem necessary or desirable, provided, that no such action shall adversely affect the interests of the Holders of Securities of any series in any material respect, as determined by the Issuer and evidenced to the Trustee in an Officer's Certificate;

(n) to establish the forms or terms of Securities of any series as permitted by Sections 2.1 and 2.3;

(o) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, pursuant to the requirements of Section 6.12; and

(p) to add to, change or eliminate any other provision under this Indenture; provided that such addition, change or elimination pursuant to this clause (p) shall not adversely affect the interests of the Holders of Securities of any series in any material respect, as determined by the Issuer.

The Trustee is hereby authorized to join with the Issuer in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the Holders of any of the Securities at the time Outstanding, notwithstanding any of the provisions of Section 8.2.

Section 8.2 Supplemental Indentures With Consent of Securityholders.

(A) Except as set forth in paragraph (C) below, with the consent (evidenced as provided in Article VII) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of all series of Senior Securities affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a Board Resolution (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order), and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force and effect at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such series.

(B) Except as set forth in paragraph (C) below, with the consent (evidenced as provided in Article VII) of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of all series of Subordinated Securities affected by such supplemental indenture (voting as one class), the Issuer, when authorized by a Board Resolution (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order), and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as in force and effect at the date of execution thereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Securities of each such series.

(C) No such supplemental indenture shall (i) extend the final maturity of any Security, or reduce the principal amount thereof, or premium thereon, if any, or reduce the rate or extend the time of payment of interest thereon, or reduce any amount payable on redemption or required repurchase thereof, or make the principal thereof (including any amount in respect of original issue discount), or premium thereon, if any, or interest thereon payable in any coin or currency other than that provided in the Securities or in accordance with the terms thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon an acceleration of the maturity thereof pursuant to Section 5.1 or the amount thereof provable in bankruptcy pursuant to Section 5.2, or in the case of Subordinated Securities of any series, modify any of the Subordination Provisions or the definition of "Senior Indebtedness" relating to such series in a manner adverse to the holders of such Subordinated Securities, or alter the provisions of Section 11.11 or 11.12 or impair or affect the right of any Securityholder to institute suit for the payment thereof when due or, if the Securities provide therefor, any right of repayment at the option of the Securityholder, or modify any provision of this Section 8.2(C), except to provide that certain provisions of this Indenture cannot be modified or waived, in each case without the consent of the Holder of each Security so affected, or (ii) reduce the aforesaid percentage of Securities of any series, the consent of the Holders of which is required for any such supplemental indenture, without the consent of the Holders of each Security so affected.

(D) A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of Holders of Securities of such series with respect to such covenant or provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Directors (which resolution may provide general terms or parameters for such action and may provide that the specific terms of such action may be determined in accordance with or pursuant to an Issuer Order) certified by the secretary or an assistant secretary of the Issuer authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of the Holders of the Securities as aforesaid and other documents, if any, required by Section 8.4, the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Issuer or, at the Issuer's written request and expense, the Trustee shall send the Issuer's notice thereof to the Holders of then Outstanding Registered Securities in accordance with Applicable Procedures. Any failure of the Issuer to give such notice or cause such notice to be given, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 8.3 Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the Holders of Securities of each series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.4 Documents to be Given to Trustee. The Trustee, subject to the provisions of Sections 6.1 and 6.2, shall be provided with an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article VIII complies with the applicable provisions of this Indenture, is authorized or permitted under the terms of the Indenture and is the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary exceptions.

Section 8.5 Notation on Securities in Respect of Supplemental Indentures. Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee for

such series as to any matter provided for by such supplemental indenture or as to any action taken by Securityholders. If the Issuer shall so determine, subject to compliance with Section 2.4, new Securities of any series so modified as to conform to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Securities of such series then Outstanding. Failure to make the appropriate notation or issue such new Securities shall not affect the validity and effect of such supplemental indenture.

ARTICLE IX

CONSOLIDATION, MERGER, SALE OR CONVEYANCE

Section 9.1 Issuer May Consolidate, Etc., Only on Certain Terms The Issuer shall not consolidate with or merge into any other Person or transfer or lease all or substantially all of its consolidated properties and assets to any Person, and the Issuer shall not permit any other Person to consolidate with or merge into the Issuer, unless:

(a) either the Issuer shall be the continuing corporation, or the successor corporation or Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or to which all or substantially all of the consolidated properties and assets of the Issuer are transferred or leased is a Person organized or formed under the laws of the United States, any state of the United States or the District of Columbia, and if such entity is not a corporation, a co-obligor of the Securities is a corporation organized or existing under any such laws, and such successor corporation or Person, including such co-obligor, if any, shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Securities and this Indenture; and

(b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Issuer or a Subsidiary as a result of such transaction as having been incurred by the Issuer or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing.

Section 9.2 Successor Person Substituted The successor Person formed by such consolidation or into which the Issuer is merged or to which such transfer or lease is made shall succeed to and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such successor Person had been named as the Issuer herein, and thereafter (except in the case of a lease to another Person) the predecessor shall be relieved of all obligations and covenants under the Indenture and the Securities and, in the event of such lease, any such predecessor may be dissolved and liquidated.

Section 9.3 Opinion of Counsel to be Given to Trustee The Trustee, subject to the provisions of Sections 6.1 and 6.2, shall be provided with an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, lease or transfer, and any such assumption, complies with the provisions of this Article IX.

ARTICLE X

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 10.1 Satisfaction and Discharge of Indenture.

(a) If at any time (i) the Issuer shall have paid or caused to be paid the principal of and interest on all the Securities of any series Outstanding hereunder (other than Securities of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.9) as and when the same shall have become due and payable, or (ii) the Issuer shall have delivered to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.9) or (iii) in the case of any series of Securities where the exact amount (including the currency of payment) of principal of and interest due on which can be determined at the time of making the deposit referred to in clause (b) below, (a) all the Securities of such series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption, and (b) the Issuer shall have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust the entire amount in (i) cash (other than moneys repaid by the Trustee or any paying agent to the Issuer in accordance with Section 10.4), (ii) in the case of any series of Securities the payments on which may only be made in Dollars, direct obligations of the United States of America, backed by its full faith and credit ("U.S. Government Obligations"), maturing as to principal and interest at such times and in such amounts as will insure the availability of cash sufficient in the opinion or based on the report of a nationally recognized firm of independent public accountants, investment bank or appraisal firm to pay at such maturity or upon such redemption, as the case may be, or (iii) a combination thereof, sufficient, in the opinion or based on the report of a nationally recognized firm of independent public accountants, investment bank or appraisal firm expressed in a written certification thereof delivered to the Trustee, to pay (x) the principal and interest on all Securities of such series on each date that such principal or interest is due and payable and (y) any mandatory sinking fund payments on the dates on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such series; provided, that in the case of any redemption at a price or premium to be calculated based off the Treasury rate or similar rate, the amount deposited with the Trustee shall be sufficient for purposes of this Indenture to the extent that such amount is equal to the price or premium calculated as of the date of the notice of redemption, with any deficit on the date of redemption only required to be deposited with the Trustee on or prior to the date of redemption; and if, in any such case, the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to the Securities of such series, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer and exchange of Securities of such Series pursuant to Section 2.8, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (iii) rights of holders of Securities to receive payments of principal thereof and interest thereon, upon the original stated due dates therefor (but not upon acceleration), and remaining rights of the Holders to receive mandatory sinking fund payments, if any, (iv) any optional redemption rights of such series of Securities to the extent to be exercised to make such call for redemption within one year, (v) the rights,

obligations, duties and immunities of the Trustee hereunder, including those under Section 6.6, (vi) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them, and (vii) the obligations of the Issuer under Section 3.2) and the Trustee, on demand of the Issuer accompanied by an Officer's Certificate and an Opinion of Counsel and at the cost and expense of the Issuer, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture; provided, that the rights of Holders of the Securities to receive amounts in respect of principal of and interest on the Securities held by them shall not be delayed longer than required by then-applicable mandatory rules or policies of any securities exchange upon which the Securities are listed. The Issuer agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred and to compensate the Trustee for any services thereafter reasonably and properly rendered by the Trustee in connection with this Indenture or the Securities of such series.

(b) The following provisions shall apply to the Securities of each series unless specifically otherwise provided in a Board Resolution, Officer's Certificate or indenture supplemental hereto provided pursuant to Section 2.3. In addition to discharge of the Indenture pursuant to the next preceding paragraph, in the case of any series of Securities the exact amounts (including the currency of payment) of principal of and interest due on which can be determined at the time of making the deposit referred to in clause (a) below, the Issuer shall be deemed to have paid and discharged the entire indebtedness on all the Securities of such a series on the date of the deposit referred to in subparagraph (a) below, and the provisions of this Indenture with respect to the Securities of such series shall no longer be in effect (except as to (i) rights of registration of transfer and exchange of Securities of such series pursuant to Section 2.8 (ii) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (iii) rights of Holders of Securities to receive payments of principal thereof and interest thereon, upon the original stated due dates therefor (but not upon acceleration), and remaining rights of the Holders to receive mandatory sinking fund payments, if any, (iv) any optional redemption rights of such series of Securities, (v) the rights, obligations, duties and immunities of the Trustee hereunder, (vi) the rights of the Holders of Securities of such series as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them and (vii) the obligations of the Issuer under Section 3.2) and the Trustee, at the expense of the Issuer, shall at the Issuer's request, execute proper instruments acknowledging the same, if

(i) with reference to this provision the Issuer has irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of the Securities of such series (i) cash in an amount, or (ii) in the case of any series of Securities the payments on which may only be made in Dollars, U.S. Government Obligations (without reinvestment), maturing as to principal and interest at such times and in such amounts as will insure the availability of cash or (iii) a combination thereof, sufficient, in the opinion or based on the report of a nationally recognized firm of independent public accountants, investment bank or appraisal firm expressed in a written certification thereof delivered to the Trustee, to pay (A) the principal and interest on all Securities of such series on each date that such principal or interest is due and payable and (B) any mandatory sinking fund payments on the dates on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such

series; provided, that before such a deposit the Issuer may make arrangements reasonably satisfactory to the Trustee for the redemption of Securities at a future date or dates in accordance with Article XII, which shall be given effect in applying the foregoing; and provided, further, that in the case of any redemption at a price or premium to be calculated based off the Treasury rate or similar rate, the amount deposited with the Trustee shall be sufficient for purposes of this Indenture to the extent that such amount is equal to the price or premium calculated as of the date of the notice of redemption, with any deficit on the date of redemption only required to be deposited with the Trustee on or prior to the date of redemption;

(ii) no Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities shall have occurred and be continuing on the date of such deposit;

(iii) such deposit will not result in a breach or violation of, or constitute a default under, any agreement or instrument to which the Issuer is a party or by which it is bound;

(iv) the Issuer has delivered to the Trustee an Opinion of Counsel based on the fact that (x) the Issuer has received from, or there has been published by, the IRS a ruling or (y) since the date hereof, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and such opinion shall confirm that, the beneficial owners of the Securities of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to United States federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred; and

(v) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the defeasance contemplated by this provision have been complied with.

(c) The Issuer shall be released from its obligations under Sections 3.6 and 9.1 and unless otherwise provided for in the Board Resolution, Officer's Certificate or Indenture supplemental hereto establishing such series of Securities, from all covenants and other obligations referred to in Section 2.3(18) or Section 2.3(22) with respect to such series of Securities outstanding on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"). For this purpose, such covenant defeasance means that, with respect to the Outstanding Securities of any series, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in such Section, whether directly or indirectly by reason of any reference elsewhere herein to such Section or by reason of any reference in such Section to any other provision herein or in any other document and such omission to comply shall not constitute an Event of Default under Section 5.1, but the remainder

of this Indenture and such Securities shall be unaffected thereby. The following shall be the conditions to application of this subsection C of this Section 10.1:

(i) The Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the Securities of such series, (i) cash in an amount, or (ii) in the case of any series of Securities the payments on which may only be made in Dollars, U.S. Government Obligations maturing as to principal and interest at such times and in such amounts as will insure the availability of cash or (iii) a combination thereof, sufficient, in the opinion or based on the report of a nationally recognized firm of independent public accountants, investment bank or appraisal firm expressed in a written certification thereof delivered to the Trustee, to pay (A) the principal and interest on all Securities of such series and (B) any mandatory sinking fund payments on the day on which such payments are due and payable in accordance with the terms of the Indenture and the Securities of such series; provided, that before such a deposit the Issuer may make arrangements reasonably satisfactory to the Trustee for the redemption of Securities at a future date or dates in accordance with Article XII, which shall be given effect in applying the foregoing; and provided, further, that in the case of any redemption at a price or premium to be calculated based off the Treasury rate or similar rate, the amount deposited with the Trustee shall be sufficient for purposes of this Indenture to the extent that such amount is equal to the price or premium calculated as of the date of the notice of redemption, with any deficit on the date of redemption only required to be deposited with the Trustee on or prior to the date of redemption;

(ii) No Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to the Securities shall have occurred and be continuing on the date of such deposit;

(iii) Such covenant defeasance shall not cause the Trustee to have a conflicting interest as defined in Section 6.9 and for purposes of the Trust Indenture Act with respect to any securities of the Issuer;

(iv) Such covenant defeasance shall not result in a breach or violation of, or constitute a default under any agreement or instrument to which the Issuer is a party or by which it is bound;

(v) Such covenant defeasance shall not cause any Securities then listed on any registered national securities exchange under the Exchange Act to be delisted;

(vi) The Issuer shall have delivered to the Trustee an Officer's Certificate and Opinion of Counsel to the effect that the beneficial owners of the Securities of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; and

(vii) The Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to the covenant defeasance contemplated by this provision have been complied with.

Section 10.2 Application by Trustee of Funds Deposited for Payment of Securities Subject to Section 10.4, all moneys deposited with the Trustee (or other trustee) pursuant to Section 10.1 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Issuer acting as its own paying agent), to the Holders of the particular Securities of such series for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such money need not be segregated from other funds except to the extent required by law.

Section 10.3 Repayment of Moneys Held by Paying Agent In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys then held by any paying agent under the provisions of this Indenture with respect to such series of Securities shall, upon demand of the Issuer, be repaid to it or paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys.

Section 10.4 Return of Moneys Held by Trustee and Paying Agent Unclaimed for Two Years Any moneys deposited with or paid to the Trustee or any paying agent for the payment of the principal of or interest on any Security of any series and not applied but remaining unclaimed for two years after the date upon which such principal or interest shall have become due and payable, shall, upon the written request of the Issuer and unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property law, be repaid to the Issuer by the Trustee for such series or such paying agent, and the Holder of the Securities of such series shall, unless otherwise required by mandatory provisions of applicable escheat or abandoned or unclaimed property laws, thereafter look only to the Issuer for any payment which such Holder may be entitled to collect, and all liability of the Trustee or any paying agent with respect to such moneys shall thereupon cease.

Section 10.5 Indemnity for U.S. Government Obligations The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 10.1 or the principal or interest received in respect of such obligations other than any payable by or on behalf of any Holder.

Section 10.6 Effect on Subordination Provisions Unless otherwise expressly established pursuant to Section 2.3 with respect to the Subordinated Securities of any series, the provisions of Section 11.13 hereof, insofar as they pertain to the Subordinated Securities of such series, and the Subordination Provisions established pursuant to Section 2.3(9) with respect to such series, are hereby expressly made subject to the provisions for satisfaction and discharge and defeasance and covenant defeasance set forth in Section 10.1 hereof and, anything herein to the contrary notwithstanding, upon the effectiveness of such satisfaction and discharge

and defeasance and covenant defeasance pursuant to Section 10.1 with respect to the Securities of such series, such Securities shall thereupon cease to be so subordinated and shall no longer be subject to the provisions of Section 11.13 or the Subordination Provisions established pursuant to Section 2.3(9) with respect to such series and, without limitation to the foregoing, all moneys, U.S. Government Obligations and other securities or property deposited with the Trustee (or other qualifying trustee) in trust in connection with such satisfaction and discharge, defeasance or covenant defeasance, as the case may be, and all proceeds therefrom may be applied to pay the principal of, premium, if any, and interest, if any, on, and mandatory sinking fund payments, if any, with respect to the Securities of such series as and when the same shall become due and payable notwithstanding the provisions of Section 11.13 or such Subordination Provisions.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.1 Incorporators, Stockholders, Officers and Directors of Issuer Exempt From Individual Liability No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such, or against any past, present or future stockholder, officer or director, as such, of the Issuer or of any successor, either directly or through the Issuer or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders thereof and as part of the consideration for the issue of the Securities.

Section 11.2 Provisions of Indenture for the Sole Benefit of Parties and Holders of Securities Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties thereto and their successors and the Holders of the Securities and, in the case of the Subordinated Securities of any series, the holders of Senior Indebtedness with respect to such series, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the Holders of the Securities and, in the case of the Subordinated Securities of any series, the holders of Senior Indebtedness with respect to such series.

Section 11.3 Successors and Assigns of Issuer Bound by Indenture All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 11.4 Notices and Demands on Issuer, Trustee and Holders of Securities Any notice, request, direction, consent or communication made pursuant to the provisions of this Indenture or the Securities shall be in writing and delivered in person, sent by facsimile, sent by electronic mail in pdf format, delivered by commercial courier service or mailed by first-class

mail, postage prepaid, addressed (until another address of the Issuer is filed by the Issuer with the Trustee) to:

PayPal Holdings, Inc.
2211 N. First Street
San Jose, CA 95131
Attention: Anthony Glasby
Telephone: (408) 967-5488
Telecopier: (408) 967-9918
Electronic Mail: tglasby@paypal.com, with a copy to flromero@paypal.com

with a copy to

PayPal Holdings, Inc.
2211 N. First Street
San Jose, CA 95131
Attention: General Counsel
Telecopier: (408) 376-7514

and to the Trustee at

Wells Fargo Bank, National Association
333 S. Grand Avenue, 5th Floor, Suite 5A
MAC: E2064
Los Angeles, CA 90071
Attention: Corporate Trust Services–PayPal Administrator

or faxed to

(213) 253-7598
Attention: Corporate Trust Services–PayPal Administrator

Where this Indenture provides for notice to Holders of Registered Securities, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class mail, postage prepaid, to each Holder entitled thereto, at his last address as it appears in the Security register.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by e-mail, pdf, facsimile transmission or other similar electronic methods; provided, however, that the Trustee shall have received an Officer's Certificate (which need not comply with Section 314 of the Trust Indenture Act or Section 11.5 hereof) listing the names and titles of the persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions that the Trustee believes, in the absence of negligence and willful misconduct, to be genuine and to have been sent by one of the persons named on the then most recent certificate referred to above

notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit the instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse of electronic communications by third parties.

Notwithstanding any other provision of this Indenture or any Security of any series other than a provision that expressly states that this paragraph is not applicable to the Securities of such series, when this Indenture or any Security provides for notice of any event (including any notice of redemption) to a Holder of Securities in global form (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depository for such Security (or its designee) pursuant to the customary procedures of such Depository.

In any case where notice to such Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer when such notice is required to the given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be reasonably satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Section 11.5 Officer's Certificates and Opinions of Counsel: Statements to be Contained Therein Upon any application or demand by the Issuer to the Trustee to take any action under any of the provisions of this Indenture, the Issuer shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate, statement or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information with respect to which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or of counsel may be based upon a certificate, report or opinion of or representations by an accountant, firm of accountants, investment bank or appraisal firm, unless such officer or counsel, as the case may be, knows that the certificate, report or opinion of or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Any certificate, report or opinion of any independent firm of public accountants filed with and directed to the Trustee shall contain a statement that such firm is independent.

Section 11.6 Payments Due on Saturdays, Sundays and Holidays. If the date of maturity of interest on or principal of the Securities of any series or the date fixed for redemption or repayment of any such Security shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no additional interest shall accrue for the period after such date.

Section 11.7 Conflict of Any Provision of Indenture With Trust Indenture Act. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with duties imposed by, or with another provision (an "incorporated provision") included in this Indenture by operation of Sections 310 to 318, inclusive, of the Trust Indenture Act, such imposed duties or incorporated provision shall control.

Section 11.8 New York Law to Govern: Waiver of Jury Trial. **THIS INDENTURE AND EACH SECURITY SHALL BE DEEMED TO BE A CONTRACT UNDER THE LAWS OF THE STATE OF NEW YORK, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF SUCH STATE.**

EACH OF THE ISSUER AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.9 Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 11.10 Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 11.11 Securities in a Foreign Currency. Unless otherwise specified in an Officer's Certificate delivered pursuant to Section 2.3 of this Indenture with respect to a particular series of Securities, whenever for purposes of this Indenture any action may be taken by the Holders of a specified percentage in aggregate principal amount of Securities of all series or all series affected by a particular action at the time Outstanding and, at such time, there are Outstanding Securities of any series which are denominated in a Foreign Currency, then the principal amount of Securities of such series which shall be deemed to be Outstanding for the purpose of taking such action shall be that amount of Dollars that could be obtained for such amount at the "Market Exchange Rate". For purposes of this Section 11.11, Market Exchange Rate shall mean the noon Dollar buying rate in The City of New York for cable transfers of such currency or currencies as published by the Federal Reserve Bank of New York as of the most recent available date. If such Market Exchange Rate is not available for any reason with respect to such currency, the paying agent shall use, as determined by a calculation agent appointed by the Issuer, such quotation of the Federal Reserve Bank of New York or quotations from one or more major banks in The City of New York or in the country of issue of the currency in question, which for purposes of the euro shall be any member state of the European Union that has adopted the euro, as such calculation agent shall deem appropriate. The provisions of this paragraph shall apply in determining the equivalent principal amount in respect of Securities of a series denominated in a currency other than Dollars in connection with any action taken by Holders of Securities pursuant to the terms of this Indenture. Any determination of the calculation agent shall be communicated to the paying agent and Trustee in writing. The paying agent and Trustee will be entitled to conclusively rely thereon without any liability. Neither the paying agent nor the Trustee will have any obligation to determine a quotation contemplated by this Section.

All decisions and determinations of the paying agent regarding the Market Exchange Rate or any alternative determination provided for in the preceding paragraph shall be in its sole discretion and shall, in the absence of manifest error, be conclusive to the extent permitted by law for all purposes and irrevocably binding upon the Issuer and all Holders.

Section 11.12 Judgment Currency. All payments made under this Indenture shall be made in Dollars unless otherwise specified in the applicable Board Resolution, Officer's Certificate or Supplemental Indenture applicable to a series of Securities. The Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of or interest on the Securities of any series which are denominated in a Foreign Currency (the "Required Currency") into a currency in Dollars or another currency in which a judgment will be rendered (the "Judgment Currency"), the rate of exchange used shall be the rate at which in accordance with normal banking procedures the paying agent could purchase in The City of New York the Required Currency with the Judgment Currency on the day on which final unappealable judgment is entered, unless such day is not a New York Banking Day, then, to the extent permitted by applicable law, the rate of exchange used shall be the rate at which in accordance with normal banking procedures the paying agent could purchase in The City of New York the Required Currency with the Judgment Currency on the New York Banking Day preceding the day on which final unappealable judgment is entered, in any case which shall be determined by a calculation agent appointed by the Issuer, and (b) its obligations under this Indenture to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under this Indenture. For purposes of the foregoing, "New York Banking Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close. Any determination of the calculation agent shall be communicated to the paying agent and Trustee in writing. The paying agent and Trustee will be entitled to conclusively rely thereon without any liability. Neither the paying agent nor the Trustee will have any obligation to determine a quotation contemplated by this Section.

Section 11.13 Agreement to Subordinate. The Issuer, for itself, its successors and assigns, covenants and agrees, and each Holder of Subordinated Securities of any series by his acceptance thereof, likewise covenants and agrees, that the payment of the principal of (and premium, if any) and interest, if any, on, and mandatory sinking fund payments, if any, in respect of each and all of the Subordinated Securities of such series shall be expressly subordinated, to the extent and in the manner provided in the Subordination Provisions established with respect to the Subordinated Securities of such series pursuant to Section 2.3(9) hereof, in right of payment to the prior payment in full of all Senior Indebtedness with respect to such series.

Section 11.14 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 11.15 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

ARTICLE XII

REDEMPTION OF SECURITIES AND SINKING FUNDS

Section 12.1 Applicability of Article. The provisions of this Article shall be applicable to the Securities of any series which are redeemable before their maturity or to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 2.3 for Securities of such series.

Section 12.2 Notice of Redemption; Partial Redemptions. Notice of redemption to the Holders of Registered Securities of any series to be redeemed as a whole or in part at the option of the Issuer shall be given by sending notice of such redemption, at least 15 days and not more than 60 days prior to the date fixed for redemption, to such Holders of Securities of such series in accordance with Applicable Procedures, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with defeasance, covenant defeasance or discharge of any series of Securities pursuant to Section 10.1. Any notice which is sent in accordance with Applicable Procedures shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. Any defect in the notice to the Holder of any Security of a series designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of such Security of such series.

The notice of redemption to each such Holder shall identify the Securities to be redeemed (including CUSIP number(s)) and specify the aggregate principal amount of Securities of such series to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of such Securities, that such redemption is pursuant to the mandatory or optional sinking fund, or both, if such be the case, that interest accrued to, but not including, the date fixed for redemption will be paid as specified in such notice and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. In case any Security of a series is to be redeemed in part only, the notice of redemption to Holders of Securities of the series shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Security, a new Security or Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

The notice of redemption of Securities of any series to be redeemed at the option of the Issuer shall be given by the Issuer or, at the Issuer's request at least five (5) Business Days prior to the date the notice must be mailed to Holders (unless the Trustee otherwise agrees to a shorter period), by the Trustee in the name and at the expense of the Issuer.

On or before 11:00 a.m., New York City time, on the redemption date specified in the notice of redemption given as provided in this Section, the Issuer will deposit with the Trustee or with one or more paying agents (or, if the Issuer is acting as its own paying agent, set aside, segregate and hold in trust as provided in [Section 3.4](#)) an amount of money sufficient to redeem on the redemption date all the Securities of such series so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption.

If less than all the Securities of a series are to be redeemed, the Trustee shall select, by lot in accordance with the procedures of the Depository, in its sole discretion, Securities of such series to be redeemed in whole or in part. Securities may be redeemed in part in multiples equal to the minimum authorized denomination for Securities of such series or any multiple thereof. The Trustee shall promptly notify the Issuer in writing of the Securities of such series selected for redemption and, in the case of any Securities of such series selected for partial redemption, the principal amount thereof to be redeemed. For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities of any series shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

Section 12.3 Payment of Securities Called for Redemption. If notice of redemption has been given as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to, but not including, the date fixed for redemption, and on and after said date (unless the Issuer shall default in the payment of such Securities at the redemption price, together with interest accrued to said date) interest on the Securities or portions of Securities so called for redemption shall cease to accrue, and, except as provided in [Sections 6.5](#) and [10.4](#), such Securities shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the Holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and unpaid interest to the date fixed for redemption. On presentation and surrender of such Securities at a place of payment specified in said notice, said Securities or the specified portions thereof shall be paid and redeemed by the Issuer at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided, that payment of interest becoming due on or prior to, but not including, the date fixed for redemption shall be payable to the Holder of such Registered Securities registered as such on the relevant record date, subject to the terms and provisions of [Section 2.3](#) and [2.7](#) hereof.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the date fixed for redemption at the rate of interest or Yield to Maturity (in the case of an Original Issue Discount Security) borne by such Security.

Upon presentation of any Security redeemed in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new Security or Securities of such series, of authorized denominations, in principal amount equal to the unredeemed portion of the Security so presented.

Section 12.4 Exclusion of Certain Securities From Eligibility for Selection for Redemption Subject to the Applicable Procedures, Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in an Officer's Certificate delivered to the Trustee at least 40 days prior to the last date on which notice of redemption may be given as being owned of record and beneficially by, and not pledged or hypothecated by, either (a) the Issuer or (b) an entity specifically identified in such written statement as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer.

Section 12.5 Mandatory and Optional Sinking Funds The minimum amount of any sinking fund payment provided for by the terms of the Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of the Securities of any series is herein referred to as an "optional sinking fund payment." The date on which a sinking fund payment is to be made is herein referred to as the "sinking fund payment date."

In lieu of making all or any part of any mandatory sinking fund payment with respect to any series of Securities in cash, the Issuer may at its option (a) deliver to the Trustee Securities of such series theretofore purchased or otherwise acquired (except upon redemption pursuant to the mandatory sinking fund) by the Issuer or receive credit for Securities of such series (not previously so credited) theretofore purchased or otherwise acquired (except as aforesaid) by the Issuer and delivered to the Trustee for cancellation pursuant to Section 2.10, (b) receive credit for optional sinking fund payments (not previously so credited) made pursuant to this Section, or (c) receive credit for Securities of such series (not previously so credited) redeemed by the Issuer through any optional redemption provision contained in the terms of such series. Securities so delivered or credited shall be received or credited by the Trustee at the sinking fund redemption price specified in such Securities.

On or before the 60th day next preceding each sinking fund payment date for any series, the Issuer will deliver to the Trustee an Officer's Certificate (which need not contain the statements required by Section 11.5) (a) specifying the portion of the mandatory sinking fund payment to be satisfied by payment of cash and the portion to be satisfied by credit of Securities of such series and the basis for such credit, (b) stating that none of the Securities of such series has theretofore been so credited, (c) stating that no defaults in the payment of interest or Events of Default with respect to such series have occurred (which have not been waived or cured) and are continuing and (d) stating whether or not the Issuer intends to exercise its right to make an optional sinking fund payment with respect to such series and, if so, specifying the amount of such optional sinking fund payment which the Issuer intends to pay on or before the next succeeding sinking fund payment date. Any Securities of such series to be credited and required to be delivered to the Trustee in order for the Issuer to be entitled to credit therefor as aforesaid which have not theretofore been delivered to the Trustee shall be delivered for cancellation pursuant to Section 2.10 to the Trustee with such Officer's Certificate (or reasonably promptly thereafter if acceptable to the Trustee). Such Officer's Certificate shall be irrevocable and upon its receipt by the Trustee, the Issuer shall become unconditionally obligated to make all the cash payments or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. Failure of the Issuer, on or before any such 60th day, to deliver such Officer's Certificate and Securities specified in this paragraph, if any, shall not constitute a default but shall constitute, on and as of such date, the irrevocable election of the Issuer (i) that the

mandatory sinking fund payment for such series due on the next succeeding sinking fund payment date shall be paid entirely in cash without the option to deliver or credit Securities of such series in respect thereof and (ii) that the Issuer will make no optional sinking fund payment with respect to such series as provided in this Section.

If the sinking fund payment or payments (mandatory or optional or both) to be made in cash on the next succeeding sinking fund payment date plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$50,000 (or the equivalent thereof in any Foreign Currency) or a lesser sum in Dollars (or the equivalent thereof in any Foreign Currency) if the Issuer shall so request with respect to the Securities of any particular series, such cash shall be applied on the next succeeding sinking fund payment date to the redemption of Securities of such series at the sinking fund redemption price together with accrued interest to the date fixed for redemption. If such amount shall be \$50,000 (or the equivalent thereof in any Foreign Currency) or less and the Issuer makes no such request then it shall be carried over until a sum in excess of \$50,000 (or the equivalent thereof in any Foreign Currency) is available. The Trustee shall select, in the manner provided in Section 12.2, for redemption on such sinking fund payment date a sufficient principal amount of Securities of such series to absorb said cash, as nearly as may be, and shall (if requested in writing by the Issuer) inform the Issuer of the serial numbers of the Securities of such series (or portions thereof) so selected. Subject to the Applicable Procedures, Securities shall be excluded from eligibility for redemption under this Section if they are identified by registration and certificate number in an Officer's Certificate delivered to the Trustee at least 60 days prior to the sinking fund payment date as being owned of record and beneficially by, and not pledged or hypothecated by, either (a) the Issuer or (b) an entity specifically identified in such Officer's Certificate as directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer. The Trustee, in the name and at the expense of the Issuer (or the Issuer, if it shall so request the Trustee in writing) shall cause notice of redemption of the Securities of such series to be given in substantially the manner provided in Section 12.2 (and with the effect provided in Section 12.3) for the redemption of Securities of such series in part at the option of the Issuer. The amount of any sinking fund payments not so applied or allocated to the redemption of Securities of such series shall be added to the next cash sinking fund payment for such series and, together with such payment, shall be applied in accordance with the provisions of this Section. Any and all sinking fund moneys held on the stated maturity date of the Securities of any particular series (or earlier, if such maturity is accelerated), which are not held for the payment or redemption of particular Securities of such series shall be applied, together with other moneys, if necessary, sufficient for the purpose, to the payment of the principal of, and interest on, the Securities of such series at maturity.

On or before each sinking fund payment date, the Issuer shall pay to the Trustee in cash or shall otherwise provide for the payment of all interest accrued to the date fixed for redemption on Securities to be redeemed on the next following sinking fund payment date.

The Trustee shall not redeem or cause to be redeemed any Securities of a series with sinking fund moneys or give any notice of redemption of Securities for such series by operation of the sinking fund during the continuance of a default in payment of interest on such Securities or of any Event of Default except that, where the giving of notice of redemption of any Securities shall theretofore have been made, the Trustee shall redeem or cause to be redeemed such Securities, provided that it shall have received from the Issuer a sum sufficient for such

redemption. Except as aforesaid, any moneys in the sinking fund for such series at the time when any such default or Event of Default shall occur, and any moneys thereafter paid into the sinking fund, shall, during the continuance of such default or Event of Default be deemed to have been collected under Article V and held for the payment of all such Securities. In case such Event of Default shall have been waived as provided in Section 5.10 or the default cured on or before the sixtieth day preceding the sinking fund payment date in any year, such moneys shall thereafter be applied on the next succeeding sinking fund payment date in accordance with this Section to the redemption of such Securities.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

PAYPAL HOLDINGS, INC.

By: /s/ Anthony Glasby

Name: Anthony Glasby

Title: Vice President and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Trustee

By: /s/ Maddy Hughes

Name: Maddy Hughes

Title: Vice President

[Signature Page to Indenture]

OFFICER'S CERTIFICATE

September 26, 2019

The undersigned, PayPal Holdings, Inc., a Delaware corporation (the "Company"), hereby certifies through Anthony Glasby, its Vice President and Treasurer, pursuant to Sections 2.1, 2.3 and 11.5 of the Indenture, dated as of September 26, 2019 (the "Indenture"), by and between the Company, as Issuer, and Wells Fargo Bank, National Association, as trustee, as follows:

1. The form and terms of the 2.200% Notes due 2022 (the "2022 Notes") are set forth on Annex A attached hereto, the form and terms of the 2.400% Notes due 2024 (the "2024 Notes") are set forth on Annex B attached hereto, the form and terms of the 2.650% Notes due 2026 (the "2026 Notes") are set forth on Annex C attached hereto, and the form and terms of the 2.850% Notes due 2029 (the "2029 Notes" and, together with the 2022 Notes, the 2024 Notes and the 2026 Notes, the "Notes") are set forth on Annex D attached hereto. The form and terms of the 2022 Notes, the 2024 Notes, the 2026 Notes and the 2029 Notes have been established pursuant to Sections 2.1 and 2.3 of the Indenture and comply with the Indenture.

2. The undersigned has read the Indenture.

3. The statements made in this certificate are based upon an examination of the Notes to be governed by the Indenture, upon an examination of and familiarity with the Indenture, upon the undersigned's general knowledge of and familiarity with the operations of the Company and upon the performance of the undersigned's duties as an officer of the Company.

4. In the opinion of the undersigned, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not the conditions precedent provided for in the Indenture relating to the issuance and authentication of each series of Notes have been complied with.

5. In the opinion of the undersigned, with respect to the foregoing, the conditions precedent provided for in the Indenture relating to the issuance and authentication of each series of Notes have been complied with.

Capitalized terms used herein without definition have the meanings assigned to them in the Indenture.

IN WITNESS WHEREOF, the undersigned have caused this certificate to be executed by its duly authorized officers as of this 26th day of September, 2019.

PAYPAL HOLDINGS, INC.

By: /s/ Anthony Glasby
Name: Anthony Glasby
Title: Vice President and Treasurer

[Signature Page to Officer's Certificate under the Indenture]

Pursuant to Section 2.3 of the Indenture, dated as of September 26, 2019 (the “Indenture”), between PayPal Holdings, Inc., a Delaware corporation (the “Issuer”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the terms of a series of Securities to be issued pursuant to the Indenture are as follows:

1. Designation. The designation of the securities is “2.200% Notes due 2022” (the “2022 Notes”).
2. Initial Aggregate Principal Amount. The 2022 Notes shall be limited in initial aggregate principal amount to \$1,000,000,000 (except for 2022 Notes authenticated and delivered upon registration of transfer or exchange in accordance with the Indenture or this Annex A (this “Annex”).
3. Currency Denomination. The 2022 Notes shall be denominated in Dollars.
4. Maturity. The date on which the principal of the 2022 Notes is payable is September 26, 2022.
5. Rate of Interest; Interest Payment Date; Regular Record Dates. Each 2022 Note shall bear interest from September 26, 2019 at 2.200% per annum until the principal thereof is paid. Such interest shall be payable semi-annually in arrears on March 26 and September 26 of each year, commencing on March 26, 2020, to the Persons in whose names the 2022 Notes are registered at the close of business on the immediately preceding March 11 and September 11, respectively (whether or not such record date is a Business Day). Interest on the 2022 Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from September 26, 2019. Interest on the 2022 Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which principal, premium, if any, or interest is payable on the 2022 Notes is not a Business Day, then payment of the principal, premium, if any, or interest payable on such date will be made on the next succeeding day that is a Business Day (and no additional interest shall accrue as a result of such delay in payment).
6. Place of Payment. Principal of, premium, if any, and interest on the 2022 Notes shall be payable, and the transfer of the 2022 Notes shall be registrable, at the office or agency of the Issuer to be maintained for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, except that, at the option of the Issuer, interest may be paid by sending a check to the address of the Person entitled thereto as it appears on the 2022 Notes register; *provided, however*, that while any 2022 Notes are represented by a Registered Global Security, payment of principal of, premium, if any, or interest on the 2022 Notes may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.
7. Optional Redemption. The 2022 Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2022 Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the

sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 10 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any 2022 Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. Notwithstanding the foregoing, installments of interest on 2022 Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices of any redemption will be mailed (or in the case of 2022 Notes held in book-entry form, be transmitted electronically) at least 30 days but not more than 60 days before the redemption date to Holders of the 2022 Notes to be redeemed, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with a legal or covenant defeasance of the 2022 Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2022 Notes or portions thereof called for redemption. If less than all of the 2022 Notes are to be redeemed, the 2022 Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to September 26, 2022 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2022 Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed

in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

8. Change of Control Repurchase Event. If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the 2022 Notes in whole as described in Section 7 above, the Issuer will be required to make an offer to each Holder of 2022 Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s 2022 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of 2022 Notes repurchased plus any accrued and unpaid interest, if any, on the 2022 Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase 2022 Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the 2022 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2022 Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the 2022 Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all 2022 Notes or portions of 2022 Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer’s offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all 2022 Notes or portions of 2022 Notes properly tendered; and

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- (c) deliver or cause to be delivered to the Trustee for cancellation the 2022 Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of 2022 Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of 2022 Notes held in book-entry form, transmit electronically) to each Holder of 2022 Notes properly tendered the repurchase price for such 2022 Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new 2022 Note equal in principal amount to any unreurchased portion of any 2022 Notes surrendered; provided, that each new 2022 Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the 2022 Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8 and the third party repurchases all 2022 Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8. In addition, the Issuer will not be required to, and the Issuer will not, make an offer to repurchase any 2022 Notes upon a Change of Control Repurchase Event if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the 2022 Notes.

"Below Investment Grade Rating Event" means the 2022 Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the 2022 Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding

immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the 2022 Notes or fails to make a rating of the 2022 Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

9. Mandatory Redemption. Other than with respect to a Change of Control Repurchase Event as described above, the 2022 Notes are not mandatorily redeemable. The 2022 Notes are not entitled to the benefit of a sinking fund or any analogous provisions.
10. Denominations. The 2022 Notes shall be issued initially in minimum denominations of \$2,000 and shall be issued in integral multiples of \$1,000 in excess thereof.
11. Amount Payable Upon Acceleration. The principal of the 2022 Notes shall be payable upon declaration of acceleration pursuant to Section 5.1 of the Indenture. The 2022 Notes shall not be Original Issue Discount Securities within the meaning of the Indenture.
12. Payment Currency. Principal and interest on the 2022 Notes shall be payable in Dollars.
13. Payment Currency – Election. The principal of and interest on the 2022 Notes shall not be payable in a currency other than Dollars.
14. Payment Currency – Index. The principal of and interest on the 2022 Notes shall not be determined with reference to an index based on a coin or currency.

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15. Registered Securities. The 2022 Notes shall be issued only as Registered Securities. The 2022 Notes shall initially be issuable as Registered Global Securities, subject to Section 2.8 of the Indenture.
 16. Additional Amounts. The Issuer shall not pay additional amounts on the 2022 Notes held by a Person that is not a U.S. Person in respect of taxes or similar charges withheld or deducted.
 17. Definitive Certificates. Section 2.8 of the Indenture will govern the transferability of the 2022 Notes in definitive form.
 18. Registrar; Paying Agent; Depositary. The Trustee shall initially serve as the registrar and the paying agent for the 2022 Notes. The Depositary Trust Company shall initially serve as the Depositary for the Registered Global Security representing the 2022 Notes.
 19. Events of Default. In addition to the Events of Default set forth in Section 5.1 of the Indenture, the failure by the Issuer to repurchase 2022 Notes tendered for repurchase following the occurrence of a Change of Control Repurchase Event in conformity with the covenant set forth in Section 8 hereof is an Event of Default with respect to the 2022 Notes.
 20. Covenants. There shall be the following additions to the covenants of the Issuer set forth in Article III of the Indenture with respect to the 2022 Notes:

Limitation on Liens. The Issuer covenants that, so long as any of the 2022 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, create or assume any mortgage, pledge, security interest, lien, charge or encumbrance of any kind (each, a "Lien") on (a) any Principal Property or (b) any capital stock or Indebtedness of any of the Issuer's Restricted Subsidiaries (together, "Property"), in each case whether now owned or hereafter acquired, in order to secure any Indebtedness, without effectively providing that the 2022 Notes shall be secured by a Lien ranking equal to and ratably with (or, at the Issuer's option, senior to) such secured Indebtedness until such time as such Indebtedness is no longer secured by such Lien, except that the foregoing restriction shall not apply to:

- (a) Liens existing on the date of the initial issuance of the 2022 Notes (other than any additional 2022 Notes) or that the Issuer or any of its Restricted Subsidiaries have agreed to pursuant to the terms of agreements existing on the date of the initial issuance of the 2022 Notes (other than any additional 2022 Notes);
- (b) Liens created or incurred after the date of the initial issuance of the 2022 Notes (other than any additional 2022 Notes) created in favor of the holders of the 2022 Notes;
- (c) Liens in favor of the Issuer or one of its Subsidiaries;
- (d) (i) Liens given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of all or any portion of the purchase price for the acquisition (including acquisition through merger or consolidation or the acquisition of a Person directly or indirectly owning such property) of any Property, including capital lease or purchase money transactions in connection with any such acquisition, or all or any portion of the cost of refurbishment,

improvement, expansion, renovation, development or construction of any Property; *provided* that with respect to this clause (i), the Liens shall be given prior to, at the time of or within 12 months after such acquisition, or completion of such refurbishment, improvement, expansion, renovation, development or construction, or the full operation of such Property, whichever is latest, and shall attach solely to such Property (including any refurbishments, improvements, expansions, renovations, development or construction thereof or then or thereafter placed thereon) and any proceeds thereof; and (ii) Liens existing on all or any portion of any Property at the time of acquisition thereof (including acquisition through merger or consolidation or the acquisition of a Person then directly or indirectly owning such property) whether or not such existing Liens were given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of the purchase price of such Property;

- (e) Liens on any Property in favor of the United States of America or any state thereof, or in favor of any other country, or any political subdivision, department, agency or instrumentality thereof to secure progress or other payments pursuant to any contract or statute or to secure Indebtedness incurred or guaranteed for the purpose of financing all or any portion of the cost of acquiring, refurbishing, improving, expanding, renovating, developing or constructing such Property, including Liens incurred in connection with pollution control, industrial revenue or similar financing;
- (f) statutory or legislative Liens or other similar Liens (including pledges, deposits, carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law) arising in the ordinary course of the Issuer or any of its Restricted Subsidiaries' business, or Liens arising out of government contracts;
- (g) Liens in connection with legal proceedings, including Liens arising out of judgments or awards, in each case so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
- (h) Liens for taxes or assessments, landlord's Liens and Liens and charges, in each case (i) not yet due or payable or subject to penalties for non-payment or which the Issuer is contesting in good faith by appropriate proceedings and (ii) incidental to the conduct of the business or the ownership of the Issuer's assets or those of a Restricted Subsidiary;
- (i) Liens incurred in connection with an acquisition of assets or a project financed on a non-recourse basis;
- (j) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (k) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of the Issuer's business;

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- (l) Liens securing obligations arising under or related to (a) the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business (each such transaction, a "Settlement") and (b) any payment or reimbursement obligation in respect of the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement (including, for the avoidance of doubt, any agreement with a bank or financial institution providing for short term financing for the purpose of funding any Settlement);
 - (m) Liens securing securitized indebtedness and receivables factoring, discounting, facilities or securitizations; and
 - (n) any extensions, renewals or replacements of any Lien referred to in clauses (a) through (m) without increase of the principal of the Indebtedness secured by such Lien (except to the extent of any fees or other costs associated with any such extension, renewal or replacement); provided, however, that any Liens permitted by any of clauses (a) through (m) shall not extend to or cover any of the Issuer's property or the property of any of its Subsidiaries, as the case may be, other than the property specified in such clauses and improvements to such property.

Notwithstanding the foregoing, the Issuer or any of its Restricted Subsidiaries may, without equally and ratably securing the 2022 Notes, create or incur Liens which would otherwise be subject to the restrictions set forth in the preceding paragraph, if after giving effect thereto and to the retirement of any Indebtedness that is being retired substantially concurrently, Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the date of the creation or incurrence of the Lien and (2) \$1.5 billion.

Limitation on Sale and Leaseback Transactions. The Issuer covenants that, so long as any of the 2022 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any arrangement with any Person providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any Principal Property, whether now owned or hereafter acquired, that has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person with the intention of taking back a lease of such Principal Property, a "sale and leaseback transaction," unless:

- (a) such transaction was entered into prior to the date of the initial issuance of the 2022 Notes (other than any additional 2022 Notes) or any extension, renewal, refinancing, replacement, amendment or modification of such transaction so long as the affected Principal Property is substantially the same as or similar in nature to the Principal Property subject to the sale and leaseback transaction extended, renewed, refinanced, replaced, amended or modified;

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- (b) such transaction was for the sale and leasing back to the Issuer or any of its wholly-owned Subsidiaries of any Principal Property by one of the Issuer's Restricted Subsidiaries;
 - (c) such transaction involves a lease for not more than three years (or which may be terminated by the Issuer or its Restricted Subsidiaries within a period of not more than three years);
 - (d) the Issuer would be entitled to incur Indebtedness secured by a Lien with respect to such sale and leaseback transaction without equally and ratably securing the 2022 Notes pursuant to the first paragraph of the "—Limitation on Liens" covenant described above; or
 - (e) the Issuer or any of its Restricted Subsidiaries applies an amount equal to the net proceeds from the sale of such Principal Property to the purchase of other property or assets used or useful in its business (including the purchase or development of other Principal Property) or to the retirement of Indebtedness that is pari passu with the 2022 Notes (including the 2022 Notes) within 365 days before or after the effective date of any such sale and leaseback transaction, provided that, in lieu of applying such amount to the retirement of pari passu Indebtedness, we may deliver 2022 Notes to the trustee for cancellation, such 2022 Notes to be credited at the cost thereof.

Notwithstanding the restrictions set forth in the preceding paragraph, the Issuer or any of its Restricted Subsidiaries may enter into any sale and leaseback transaction which would otherwise be subject to the foregoing restrictions, if after giving effect thereto Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the relevant date of determination and (2) \$1.5 billion.

"Aggregate Debt" means the sum of the following, as of the date of determination: (1) the aggregate principal amount of the Issuer's and its Restricted Subsidiaries' Indebtedness incurred after the date of initial issuance of the 2022 Notes and secured by Liens not permitted by the first paragraph under "—Limitation on Liens" above and (2) the Issuer's and its Restricted Subsidiaries' Attributable Debt in respect of sale and leaseback transactions entered into after the date of the initial issuance of the 2022 Notes pursuant to the second paragraph of "—Limitation on Sale and Leaseback Transactions" above.

"Attributable Debt" means, with respect to any sale and leaseback transaction, at the time of determination, the lesser of (1) the fair market value of such Principal Property as determined in good faith by the Issuer's board of directors, and (2) the total obligation (discounted to the present value at the implicit interest factor, determined in accordance with GAAP, included in the rental payments) of the lessee for rental payments (other than amounts required to be paid on account of property taxes as well as maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the base term of the lease included in such transaction.

"Consolidated Net Tangible Assets" means, as of any date of determination, the aggregate amount of assets after deducting therefrom: (1) all current liabilities, except for notes and loans payable, current maturities of long-term debt, current portion of convertible securities, current portion of deferred revenue and obligations under capital leases; and (2) intangible assets to the extent included in the aggregate amount of assets, net of applicable reserves and any amortized amounts, all as reflected on the Issuer's most recent consolidated balance sheet prepared in accordance with GAAP.

“GAAP” means accounting principles generally accepted in the United States of America, which are in effect as of the date of application thereof.

“Indebtedness” of any specified Person means, without duplication, indebtedness of such Person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“Principal Property” means any single parcel of real property or any permanent improvement thereon (1) owned by the Issuer or any of its Restricted Subsidiaries located in the United States, including the Issuer’s principal corporate office, any other offices or data centers or any portion thereof and (2) having a book value, as of the date of determination, in excess of 3% of the Issuer’s Consolidated Net Tangible Assets. Principal Property does not include any property that the Issuer’s board of directors has determined not to be of material importance to the business conducted by the Issuer’s Subsidiaries and the Issuer, taken as a whole.

“Restricted Subsidiary” means any subsidiary of ours that constitutes a “significant subsidiary” (as such term is defined in Regulation S-X, promulgated pursuant to the Securities Act), excluding (a) any subsidiary which is not organized under the laws of any state of the United States of America, (b) any subsidiary which conducts the major portion of its business outside the United States of America and (c) any subsidiary of any of the foregoing.

21. Conversion and Exchange. The 2022 Notes shall not be convertible into or exchangeable for any other security.
22. Additional Issues. The Issuer may, without notice to or the consent of the Holders of the 2022 Notes, create and issue additional 2022 Notes with the same terms as the 2022 Notes issued on September 26, 2019 (the “Initial 2022 Notes”), except for the issue date, the offering price and, under certain circumstances, the first interest payment date. Such additional 2022 Notes shall be consolidated and form a single series with the Initial 2022 Notes; *provided* that if such additional 2022 Notes are not fungible with the Initial 2022 Notes for U.S. federal income tax purposes, such additional 2022 Notes will have one or more separate CUSIP numbers. No additional 2022 Notes may be issued if an Event of Default has occurred and is continuing with respect to the 2022 Notes.
23. Definitions. Capitalized terms used but not otherwise defined in this Annex shall have the respective meanings ascribed to such terms in the Indenture.

As used herein, the following term has the specified meaning:

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.
24. Other Terms. The 2022 Notes shall have the other terms and shall be substantially in the form set forth in the form of the 2022 Notes attached hereto as Annex A-1. In case of any conflict between this Annex or the form of the 2022 Notes and the Indenture, this Annex or the form of the 2022 Notes shall control, as applicable.

[FORM OF 2022 NOTE]

REGISTERED

THIS NOTE IS A REGISTERED GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL THIS NOTE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE REGISTERED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No. R – A1

CUSIP NO. 70450Y AB9
ISIN NO. US70450YAB92

PAYPAL HOLDINGS, INC.

2.200% Notes due 2022

PayPal Holdings, Inc., a Delaware corporation (the “Issuer,” which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars (\$) on September 26, 2022 and to pay interest on said principal sum from September 26, 2019, or from the most recent interest payment date to which interest has been paid or duly provided for, semi-annually in arrears on March 26 and September 26 (each such date, an “Interest Payment Date”) of each year commencing on March 26, 2020, at the rate of 2.200% per annum until the principal hereof shall have become due and payable.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which the principal or interest payable on this Note is not a Business Day, then payment of principal or interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay). The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (referred to on the reverse hereof) be paid to the Person in whose name this Note is registered at the close of business on the record date for such interest installment, which shall be the close of business on the immediately preceding March 11 and September 11 prior to such Interest Payment Date, as applicable (whether or not such record date is a Business Day). Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such record date and may be paid to the Person in whose name this Note is registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest), notice whereof shall be sent by or on behalf of the Issuer to the registered Holders of Notes not less than 15 days preceding such subsequent record date, all as more fully provided in the Indenture. The principal of and the interest on this Note shall be payable at the office or agency of the Issuer maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest, to the extent this Note is not represented by a Registered Global Security, may be made at the option of the Issuer by

check sent to the Person entitled thereto at such address as shall appear in the registry books of the Issuer; *provided, further*, that for so long as this Note is represented by a Registered Global Security, payment of principal, premium, if any, or interest on this Note may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee (as defined below) under the Indenture (as defined below), by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

Capitalized terms used in this Note which are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed, manually or in facsimile.

PAYPAL HOLDINGS, INC.

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Securities
referred to in the within-mentioned
Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Dated: _____

[FORM OF REVERSE SIDE OF NOTE]

This Note is one of a duly authorized series of Securities of the Issuer designated as its 2.200% Notes due 2022 (the “Notes”). The Notes are all issued or to be issued under and pursuant to an Indenture, dated as of September 26, 2019 (the “Indenture”), duly executed and delivered between the Issuer and Wells Fargo Bank, National Association as trustee with respect to the Notes (the “Trustee”), to which the Indenture and the Officer’s Certificate setting forth the terms of the Notes is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The Notes are Senior Securities within the meaning of the Indenture.

The Notes are issuable only as Registered Securities in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same.

Except as set forth below, this Note is not redeemable. This Note is not entitled to the benefit of a sinking fund or any analogous provision.

The Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on September 26, 2022 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 10 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices will be sent (or in the case of Notes held in book-entry form, be transmitted electronically) to Holders of the Notes to be redeemed at least 30 and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be sent more than 60 days prior to a redemption if the notice is issued in connection with a defeasance or covenant defeasance of the Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to September 26, 2022 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the Notes in whole as described above, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all Notes or portions of Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of Notes held in book-entry form, transmit electronically) to each Holder of Notes properly tendered the repurchase price for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unreurchased portion of any Notes surrendered; provided, that each new Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein and the third party repurchases all Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein. In addition, the Issuer will not be required to, and will not, make an offer to repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the Notes.

"Below Investment Grade Rating Event" means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to

such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

“Change of Control Repurchase Event” means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

“Fitch” means Fitch Inc., a subsidiary of Fimalac, S.A.

“Investment Grade Rating” means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

“Rating Agencies” means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Issuer's control, a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

“S&P” means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the registry books of the Issuer, upon surrender of this Note for registration of transfer at the office or agency of the Issuer maintained by the Issuer for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder hereof or by its attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[FORM OF SCHEDULE FOR ENDORSEMENTS ON REGISTERED
GLOBAL SECURITIES TO REFLECT CHANGES IN PRINCIPAL AMOUNT]

Schedule A

Changes to Principal Amount of Registered Global Securities

Date	Principal Amount of Notes by which this Registered Global Security is to be Reduced or Increased, and Reason for Reduction or Increase	Remaining Principal Amount of this Registered Global Security	Notation Made By

Pursuant to Section 2.3 of the Indenture, dated as of September 26, 2019 (the “Indenture”), between PayPal Holdings, Inc., a Delaware corporation (the “Issuer”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the terms of a series of Securities to be issued pursuant to the Indenture are as follows:

1. Designation. The designation of the securities is “2.400% Notes due 2024” (the “2024 Notes”).
2. Initial Aggregate Principal Amount. The 2024 Notes shall be limited in initial aggregate principal amount to \$1,250,000,000 (except for 2024 Notes authenticated and delivered upon registration of transfer or exchange in accordance with the Indenture or this Annex B (this “Annex”).
3. Currency Denomination. The 2024 Notes shall be denominated in Dollars.
4. Maturity. The date on which the principal of the 2024 Notes is payable is October 1, 2024.
5. Rate of Interest; Interest Payment Date; Regular Record Dates. Each 2024 Note shall bear interest from September 26, 2019 at 2.400% per annum until the principal thereof is paid. Such interest shall be payable semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2020, to the Persons in whose names the 2024 Notes are registered at the close of business on the immediately preceding March 15 and September 15, respectively (whether or not such record date is a Business Day). Interest on the 2024 Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from September 26, 2019. Interest on the 2024 Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which principal, premium, if any, or interest is payable on the 2024 Notes is not a Business Day, then payment of the principal, premium, if any, or interest payable on such date will be made on the next succeeding day that is a Business Day (and no additional interest shall accrue as a result of such delay in payment).
6. Place of Payment. Principal of, premium, if any, and interest on the 2024 Notes shall be payable, and the transfer of the 2024 Notes shall be registrable, at the office or agency of the Issuer to be maintained for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, except that, at the option of the Issuer, interest may be paid by sending a check to the address of the Person entitled thereto as it appears on the 2024 Notes register; *provided, however*, that while any 2024 Notes are represented by a Registered Global Security, payment of principal of, premium, if any, or interest on the 2024 Notes may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.
7. Optional Redemption. Prior to September 1, 2024, the 2024 Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2024 Notes to be redeemed or (ii) an amount determined

by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2024 Notes matured on September 1, 2024 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 15 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any 2024 Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after September 1, 2024, the Issuer may redeem the 2024 Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on 2024 Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices of any redemption will be mailed (or in the case of 2024 Notes held in book-entry form, be transmitted electronically) at least 30 days but not more than 60 days before the redemption date to Holders of the 2024 Notes to be redeemed, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with a legal or covenant defeasance of the 2024 Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2024 Notes or portions thereof called for redemption. If less than all of the 2024 Notes are to be redeemed, the 2024 Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to September 1, 2024 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2024 Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

8. Change of Control Repurchase Event. If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the 2024 Notes in whole as described in Section 7 above, the Issuer will be required to make an offer to each Holder of 2024 Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s 2024 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of 2024 Notes repurchased plus any accrued and unpaid interest, if any, on the 2024 Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase 2024 Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the 2024 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2024 Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the 2024 Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all 2024 Notes or portions of 2024 Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all 2024 Notes or portions of 2024 Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the 2024 Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of 2024 Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of 2024 Notes held in book-entry form, transmit electronically) to each Holder of 2024 Notes properly tendered the repurchase price for such 2024 Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new 2024 Note equal in principal amount to any unredeemed portion of any 2024 Notes surrendered; provided, that each new 2024 Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the 2024 Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8 and the third party repurchases all 2024 Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8. In addition, the Issuer will not be required to, and the Issuer will not, make an offer to repurchase any 2024 Notes upon a Change of Control Repurchase Event if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the 2024 Notes.

"Below Investment Grade Rating Event" means the 2024 Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the 2024 Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting

power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the 2024 Notes or fails to make a rating of the 2024 Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

9. Mandatory Redemption. Other than with respect to a Change of Control Repurchase Event as described above, the 2024 Notes are not mandatorily redeemable. The 2024 Notes are not entitled to the benefit of a sinking fund or any analogous provisions.
10. Denominations. The 2024 Notes shall be issued initially in minimum denominations of \$2,000 and shall be issued in integral multiples of \$1,000 in excess thereof.
11. Amount Payable Upon Acceleration. The principal of the 2024 Notes shall be payable upon declaration of acceleration pursuant to Section 5.1 of the Indenture. The 2024 Notes shall not be Original Issue Discount Securities within the meaning of the Indenture.

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12. Payment Currency. Principal and interest on the 2024 Notes shall be payable in Dollars.
 13. Payment Currency – Election. The principal of and interest on the 2024 Notes shall not be payable in a currency other than Dollars.
 14. Payment Currency – Index. The principal of and interest on the 2024 Notes shall not be determined with reference to an index based on a coin or currency.
 15. Registered Securities. The 2024 Notes shall be issued only as Registered Securities. The 2024 Notes shall initially be issuable as Registered Global Securities, subject to Section 2.8 of the Indenture.
 16. Additional Amounts. The Issuer shall not pay additional amounts on the 2024 Notes held by a Person that is not a U.S. Person in respect of taxes or similar charges withheld or deducted.
 17. Definitive Certificates. Section 2.8 of the Indenture will govern the transferability of the 2024 Notes in definitive form.
 18. Registrar; Paying Agent; Depository. The Trustee shall initially serve as the registrar and the paying agent for the 2024 Notes. The Depository Trust Company shall initially serve as the Depository for the Registered Global Security representing the 2024 Notes.
 19. Events of Default. In addition to the Events of Default set forth in Section 5.1 of the Indenture, the failure by the Issuer to repurchase 2024 Notes tendered for repurchase following the occurrence of a Change of Control Repurchase Event in conformity with the covenant set forth in Section 8 hereof is an Event of Default with respect to the 2024 Notes.
 20. Covenants. There shall be the following additions to the covenants of the Issuer set forth in Article III of the Indenture with respect to the 2024 Notes:

Limitation on Liens. The Issuer covenants that, so long as any of the 2024 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, create or assume any mortgage, pledge, security interest, lien, charge or encumbrance of any kind (each, a “Lien”) on (a) any Principal Property or (b) any capital stock or Indebtedness of any of the Issuer’s Restricted Subsidiaries (together, “Property”), in each case whether now owned or hereafter acquired, in order to secure any Indebtedness, without effectively providing that the 2024 Notes shall be secured by a Lien ranking equal to and ratably with (or, at the Issuer’s option, senior to) such secured Indebtedness until such time as such Indebtedness is no longer secured by such Lien, except that the foregoing restriction shall not apply to:

- (a) Liens existing on the date of the initial issuance of the 2024 Notes (other than any additional 2024 Notes) or that the Issuer or any of its Restricted Subsidiaries have agreed to pursuant to the terms of agreements existing on the date of the initial issuance of the 2024 Notes (other than any additional 2024 Notes);
- (b) Liens created or incurred after the date of the initial issuance of the 2024 Notes (other than any additional 2024 Notes) created in favor of the holders of the 2024 Notes;

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- (c) Liens in favor of the Issuer or one of its Subsidiaries;
 - (d) (i) Liens given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of all or any portion of the purchase price for the acquisition (including acquisition through merger or consolidation or the acquisition of a Person directly or indirectly owning such property) of any Property, including capital lease or purchase money transactions in connection with any such acquisition, or all or any portion of the cost of refurbishment, improvement, expansion, renovation, development or construction of any Property; *provided* that with respect to this clause (i), the Liens shall be given prior to, at the time of or within 12 months after such acquisition, or completion of such refurbishment, improvement, expansion, renovation, development or construction, or the full operation of such Property, whichever is latest, and shall attach solely to such Property (including any refurbishments, improvements, expansions, renovations, development or construction thereof or then or thereafter placed thereon) and any proceeds thereof; and (ii) Liens existing on all or any portion of any Property at the time of acquisition thereof (including acquisition through merger or consolidation or the acquisition of a Person then directly or indirectly owning such property) whether or not such existing Liens were given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of the purchase price of such Property;
 - (e) Liens on any Property in favor of the United States of America or any state thereof, or in favor of any other country, or any political subdivision, department, agency or instrumentality thereof to secure progress or other payments pursuant to any contract or statute or to secure Indebtedness incurred or guaranteed for the purpose of financing all or any portion of the cost of acquiring, refurbishing, improving, expanding, renovating, developing or constructing such Property, including Liens incurred in connection with pollution control, industrial revenue or similar financing;
 - (f) statutory or legislative Liens or other similar Liens (including pledges, deposits, carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law) arising in the ordinary course of the Issuer or any of its Restricted Subsidiaries' business, or Liens arising out of government contracts;
 - (g) Liens in connection with legal proceedings, including Liens arising out of judgments or awards, in each case so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
 - (h) Liens for taxes or assessments, landlord's Liens and Liens and charges, in each case (i) not yet due or payable or subject to penalties for non-payment or which the Issuer is contesting in good faith by appropriate proceedings and (ii) incidental to the conduct of the business or the ownership of the Issuer's assets or those of a Restricted Subsidiary;
 - (i) Liens incurred in connection with an acquisition of assets or a project financed on a non-recourse basis;

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- (j) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
 - (k) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of the Issuer's business;
 - (l) Liens securing obligations arising under or related to (a) the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business (each such transaction, a "Settlement") and (b) any payment or reimbursement obligation in respect of the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement (including, for the avoidance of doubt, any agreement with a bank or financial institution providing for short term financing for the purpose of funding any Settlement);
 - (m) Liens securing securitized indebtedness and receivables factoring, discounting, facilities or securitizations; and
 - (n) any extensions, renewals or replacements of any Lien referred to in clauses (a) through (m) without increase of the principal of the Indebtedness secured by such Lien (except to the extent of any fees or other costs associated with any such extension, renewal or replacement); provided, however, that any Liens permitted by any of clauses (a) through (m) shall not extend to or cover any of the Issuer's property or the property of any of its Subsidiaries, as the case may be, other than the property specified in such clauses and improvements to such property.

Notwithstanding the foregoing, the Issuer or any of its Restricted Subsidiaries may, without equally and ratably securing the 2024 Notes, create or incur Liens which would otherwise be subject to the restrictions set forth in the preceding paragraph, if after giving effect thereto and to the retirement of any Indebtedness that is being retired substantially concurrently, Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the date of the creation or incurrence of the Lien and (2) \$1.5 billion.

Limitation on Sale and Leaseback Transactions. The Issuer covenants that, so long as any of the 2024 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any arrangement with any Person providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any Principal Property, whether now owned or hereafter acquired, that has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person with the intention of taking back a lease of such Principal Property, a "sale and leaseback transaction," unless:

- (a) such transaction was entered into prior to the date of the initial issuance of the 2024 Notes (other than any additional 2024 Notes) or any extension, renewal, refinancing,

replacement, amendment or modification of such transaction so long as the affected Principal Property is substantially the same as or similar in nature to the Principal Property subject to the sale and leaseback transaction extended, renewed, refinanced, replaced, amended or modified;

- (b) such transaction was for the sale and leasing back to the Issuer or any of its wholly-owned Subsidiaries of any Principal Property by one of the Issuer's Restricted Subsidiaries;
- (c) such transaction involves a lease for not more than three years (or which may be terminated by the Issuer or its Restricted Subsidiaries within a period of not more than three years);
- (d) the Issuer would be entitled to incur Indebtedness secured by a Lien with respect to such sale and leaseback transaction without equally and ratably securing the 2024 Notes pursuant to the first paragraph of the "—Limitation on Liens" covenant described above; or
- (e) the Issuer or any of its Restricted Subsidiaries applies an amount equal to the net proceeds from the sale of such Principal Property to the purchase of other property or assets used or useful in its business (including the purchase or development of other Principal Property) or to the retirement of Indebtedness that is pari passu with the 2024 Notes (including the 2024 Notes) within 365 days before or after the effective date of any such sale and leaseback transaction, provided that, in lieu of applying such amount to the retirement of pari passu Indebtedness, we may deliver 2024 Notes to the trustee for cancellation, such 2024 Notes to be credited at the cost thereof.

Notwithstanding the restrictions set forth in the preceding paragraph, the Issuer or any of its Restricted Subsidiaries may enter into any sale and leaseback transaction which would otherwise be subject to the foregoing restrictions, if after giving effect thereto Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the relevant date of determination and (2) \$1.5 billion.

"Aggregate Debt" means the sum of the following, as of the date of determination: (1) the aggregate principal amount of the Issuer's and its Restricted Subsidiaries' Indebtedness incurred after the date of initial issuance of the 2024 Notes and secured by Liens not permitted by the first paragraph under "—Limitation on Liens" above and (2) the Issuer's and its Restricted Subsidiaries' Attributable Debt in respect of sale and leaseback transactions entered into after the date of the initial issuance of the 2024 Notes pursuant to the second paragraph of "—Limitation on Sale and Leaseback Transactions" above.

"Attributable Debt" means, with respect to any sale and leaseback transaction, at the time of determination, the lesser of (1) the fair market value of such Principal Property as determined in good faith by the Issuer's board of directors, and (2) the total obligation (discounted to the present value at the implicit interest factor, determined in accordance with GAAP, included in the rental payments) of the lessee for rental payments (other than amounts required to be paid on account of property taxes as well as maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the base term of the lease included in such transaction.

“Consolidated Net Tangible Assets” means, as of any date of determination, the aggregate amount of assets after deducting therefrom: (1) all current liabilities, except for notes and loans payable, current maturities of long-term debt, current portion of convertible securities, current portion of deferred revenue and obligations under capital leases; and (2) intangible assets to the extent included in the aggregate amount of assets, net of applicable reserves and any amortized amounts, all as reflected on the Issuer’s most recent consolidated balance sheet prepared in accordance with GAAP.

“GAAP” means accounting principles generally accepted in the United States of America, which are in effect as of the date of application thereof.

“Indebtedness” of any specified Person means, without duplication, indebtedness of such Person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“Principal Property” means any single parcel of real property or any permanent improvement thereon (1) owned by the Issuer or any of its Restricted Subsidiaries located in the United States, including the Issuer’s principal corporate office, any other offices or data centers or any portion thereof and (2) having a book value, as of the date of determination, in excess of 3% of the Issuer’s Consolidated Net Tangible Assets. Principal Property does not include any property that the Issuer’s board of directors has determined not to be of material importance to the business conducted by the Issuer’s Subsidiaries and the Issuer, taken as a whole.

“Restricted Subsidiary” means any subsidiary of ours that constitutes a “significant subsidiary” (as such term is defined in Regulation S-X, promulgated pursuant to the Securities Act), excluding (a) any subsidiary which is not organized under the laws of any state of the United States of America, (b) any subsidiary which conducts the major portion of its business outside the United States of America and (c) any subsidiary of any of the foregoing.

21. Conversion and Exchange. The 2024 Notes shall not be convertible into or exchangeable for any other security.
22. Additional Issues. The Issuer may, without notice to or the consent of the Holders of the 2024 Notes, create and issue additional 2024 Notes with the same terms as the 2024 Notes issued on September 26, 2019 (the “Initial 2024 Notes”), except for the issue date, the offering price and, under certain circumstances, the first interest payment date. Such additional 2024 Notes shall be consolidated and form a single series with the Initial 2024 Notes; *provided* that if such additional 2024 Notes are not fungible with the Initial 2024 Notes for U.S. federal income tax purposes, such additional 2024 Notes will have one or more separate CUSIP numbers. No additional 2024 Notes may be issued if an Event of Default has occurred and is continuing with respect to the 2024 Notes.
23. Definitions. Capitalized terms used but not otherwise defined in this Annex shall have the respective meanings ascribed to such terms in the Indenture.

As used herein, the following term has the specified meaning:

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.
24. Other Terms. The 2024 Notes shall have the other terms and shall be substantially in the form set forth in the form of the 2024 Notes attached hereto as Annex B-1. In case of any conflict between this Annex or the form of the 2024 Notes and the Indenture, this Annex or the form of the 2024 Notes shall control, as applicable.

[FORM OF 2024 NOTE]

REGISTERED

THIS NOTE IS A REGISTERED GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL THIS NOTE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE REGISTERED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No. R – A1

CUSIP NO. 70450Y AC7
ISIN NO. US70450YAC75**PAYPAL HOLDINGS, INC.**

2.400% Notes due 2024

PayPal Holdings, Inc., a Delaware corporation (the “Issuer,” which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars (\$) on October 1, 2024 and to pay interest on said principal sum from September 26, 2019, or from the most recent interest payment date to which interest has been paid or duly provided for, semi-annually in arrears on April 1 and October 1 (each such date, an “Interest Payment Date”) of each year commencing on April 1, 2020, at the rate of 2.400% per annum until the principal hereof shall have become due and payable.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which the principal or interest payable on this Note is not a Business Day, then payment of principal or interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay). The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (referred to on the reverse hereof) be paid to the Person in whose name this Note is registered at the close of business on the record date for such interest installment, which shall be the close of business on the immediately preceding March 15 and September 15 prior to such Interest Payment Date, as applicable (whether or not such record date is a Business Day). Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such record date and may be paid to the Person in whose name this Note is registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest), notice whereof shall be sent by or on behalf of the Issuer to the registered Holders of Notes not less than 15 days preceding such subsequent record date, all as more fully provided in the Indenture. The principal of and the interest on this Note shall be payable at the office or agency of the Issuer maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest, to the extent this Note is not represented by a Registered Global Security, may be made at the option of the Issuer by

check sent to the Person entitled thereto at such address as shall appear in the registry books of the Issuer; *provided, further*, that for so long as this Note is represented by a Registered Global Security, payment of principal, premium, if any, or interest on this Note may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee (as defined below) under the Indenture (as defined below), by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

Capitalized terms used in this Note which are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed, manually or in facsimile.

PAYPAL HOLDINGS, INC.

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Securities
referred to in the within-mentioned
Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Dated: _____

[FORM OF REVERSE SIDE OF NOTE]

This Note is one of a duly authorized series of Securities of the Issuer designated as its 2.400% Notes due 2024 (the “Notes”). The Notes are all issued or to be issued under and pursuant to an Indenture, dated as of September 26, 2019 (the “Indenture”), duly executed and delivered between the Issuer and Wells Fargo Bank, National Association as trustee with respect to the Notes (the “Trustee”), to which the Indenture and the Officer’s Certificate setting forth the terms of the Notes is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The Notes are Senior Securities within the meaning of the Indenture.

The Notes are issuable only as Registered Securities in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same.

Except as set forth below, this Note is not redeemable. This Note is not entitled to the benefit of a sinking fund or any analogous provision.

Prior to September 1, 2024, the Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on September 1, 2024 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after September 1, 2024, the Issuer may redeem the Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices will be sent (or in the case of Notes held in book-entry form, be transmitted electronically) to Holders of the Notes to be redeemed at least 30 and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be sent more than 60 days prior to a redemption if the notice is issued in connection with a defeasance or covenant defeasance of the Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to September 1, 2024 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the Notes in whole as described above, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all Notes or portions of Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of Notes held in book-entry form, transmit electronically) to each Holder of Notes properly tendered the repurchase price for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unreurchased portion of any Notes surrendered; provided, that each new Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein and the third party repurchases all Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein. In addition, the Issuer will not be required to, and will not, make an offer to repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the Notes.

"Below Investment Grade Rating Event" means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property,

other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the registry books of the Issuer, upon surrender of this Note for registration of transfer at the office or agency of the Issuer maintained by the Issuer for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder hereof or by its attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[FORM OF SCHEDULE FOR ENDORSEMENTS ON REGISTERED
GLOBAL SECURITIES TO REFLECT CHANGES IN PRINCIPAL AMOUNT]

Schedule A

Changes to Principal Amount of Registered Global Securities

Date	Principal Amount of Notes by which this Registered Global Security is to be Reduced or Increased, and Reason for Reduction or Increase	Remaining Principal Amount of this Registered Global Security	Notation Made By

Pursuant to Section 2.3 of the Indenture, dated as of September 26, 2019 (the “Indenture”), between PayPal Holdings, Inc., a Delaware corporation (the “Issuer”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the terms of a series of Securities to be issued pursuant to the Indenture are as follows:

1. Designation. The designation of the securities is “2.650% Notes due 2026” (the “2026 Notes”).
2. Initial Aggregate Principal Amount. The 2026 Notes shall be limited in initial aggregate principal amount to \$1,250,000,000 (except for 2026 Notes authenticated and delivered upon registration of transfer or exchange in accordance with the Indenture or this Annex C (this “Annex”).
3. Currency Denomination. The 2026 Notes shall be denominated in Dollars.
4. Maturity. The date on which the principal of the 2026 Notes is payable is October 1, 2026.
5. Rate of Interest; Interest Payment Date; Regular Record Dates. Each 2026 Note shall bear interest from September 26, 2019 at 2.650% per annum until the principal thereof is paid. Such interest shall be payable semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2020, to the Persons in whose names the 2026 Notes are registered at the close of business on the immediately preceding March 15 and September 15, respectively (whether or not such record date is a Business Day). Interest on the 2026 Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from September 26, 2019. Interest on the 2026 Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which principal, premium, if any, or interest is payable on the 2026 Notes is not a Business Day, then payment of the principal, premium, if any, or interest payable on such date will be made on the next succeeding day that is a Business Day (and no additional interest shall accrue as a result of such delay in payment).
6. Place of Payment. Principal of, premium, if any, and interest on the 2026 Notes shall be payable, and the transfer of the 2026 Notes shall be registrable, at the office or agency of the Issuer to be maintained for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, except that, at the option of the Issuer, interest may be paid by sending a check to the address of the Person entitled thereto as it appears on the 2026 Notes register; *provided, however*, that while any 2026 Notes are represented by a Registered Global Security, payment of principal of, premium, if any, or interest on the 2026 Notes may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.
7. Optional Redemption. Prior to August 1, 2026, the 2026 Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the 2026 Notes to be redeemed or (ii) an amount determined by the

Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2026 Notes matured on August 1, 2026 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 15 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any 2026 Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after August 1, 2026, the Issuer may redeem the 2026 Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on 2026 Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices of any redemption will be mailed (or in the case of 2026 Notes held in book-entry form, be transmitted electronically) at least 30 days but not more than 60 days before the redemption date to Holders of the 2026 Notes to be redeemed, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with a legal or covenant defeasance of the 2026 Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2026 Notes or portions thereof called for redemption. If less than all of the 2026 Notes are to be redeemed, the 2026 Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to August 1, 2026 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2026 Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

8. Change of Control Repurchase Event. If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the 2026 Notes in whole as described in Section 7 above, the Issuer will be required to make an offer to each Holder of 2026 Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s 2026 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of 2026 Notes repurchased plus any accrued and unpaid interest, if any, on the 2026 Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase 2026 Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the 2026 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2026 Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the 2026 Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (d) accept for payment all 2026 Notes or portions of 2026 Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (e) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all 2026 Notes or portions of 2026 Notes properly tendered; and
- (f) deliver or cause to be delivered to the Trustee for cancellation the 2026 Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of 2026 Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of 2026 Notes held in book-entry form, transmit electronically) to each Holder of 2026 Notes properly tendered the repurchase price for such 2026 Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new 2026 Note equal in principal amount to any unredeemed portion of any 2026 Notes surrendered; provided, that each new 2026 Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the 2026 Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8 and the third party repurchases all 2026 Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8. In addition, the Issuer will not be required to, and the Issuer will not, make an offer to repurchase any 2026 Notes upon a Change of Control Repurchase Event if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the 2026 Notes.

"Below Investment Grade Rating Event" means the 2026 Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the 2026 Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting

power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the 2026 Notes or fails to make a rating of the 2026 Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

9. Mandatory Redemption. Other than with respect to a Change of Control Repurchase Event as described above, the 2026 Notes are not mandatorily redeemable. The 2026 Notes are not entitled to the benefit of a sinking fund or any analogous provisions.
10. Denominations. The 2026 Notes shall be issued initially in minimum denominations of \$2,000 and shall be issued in integral multiples of \$1,000 in excess thereof.
11. Amount Payable Upon Acceleration. The principal of the 2026 Notes shall be payable upon declaration of acceleration pursuant to Section 5.1 of the Indenture. The 2026 Notes shall not be Original Issue Discount Securities within the meaning of the Indenture.

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12. Payment Currency. Principal and interest on the 2026 Notes shall be payable in Dollars.
 13. Payment Currency – Election. The principal of and interest on the 2026 Notes shall not be payable in a currency other than Dollars.
 14. Payment Currency – Index. The principal of and interest on the 2026 Notes shall not be determined with reference to an index based on a coin or currency.
 15. Registered Securities. The 2026 Notes shall be issued only as Registered Securities. The 2026 Notes shall initially be issuable as Registered Global Securities, subject to Section 2.8 of the Indenture.
 16. Additional Amounts. The Issuer shall not pay additional amounts on the 2026 Notes held by a Person that is not a U.S. Person in respect of taxes or similar charges withheld or deducted.
 17. Definitive Certificates. Section 2.8 of the Indenture will govern the transferability of the 2026 Notes in definitive form.
 18. Registrar; Paying Agent; Depository. The Trustee shall initially serve as the registrar and the paying agent for the 2026 Notes. The Depository Trust Company shall initially serve as the Depository for the Registered Global Security representing the 2026 Notes.
 19. Events of Default. In addition to the Events of Default set forth in Section 5.1 of the Indenture, the failure by the Issuer to repurchase 2026 Notes tendered for repurchase following the occurrence of a Change of Control Repurchase Event in conformity with the covenant set forth in Section 8 hereof is an Event of Default with respect to the 2026 Notes.
 20. Covenants. There shall be the following additions to the covenants of the Issuer set forth in Article III of the Indenture with respect to the 2026 Notes:

Limitation on Liens. The Issuer covenants that, so long as any of the 2026 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, create or assume any mortgage, pledge, security interest, lien, charge or encumbrance of any kind (each, a “Lien”) on (a) any Principal Property or (b) any capital stock or Indebtedness of any of the Issuer’s Restricted Subsidiaries (together, “Property”), in each case whether now owned or hereafter acquired, in order to secure any Indebtedness, without effectively providing that the 2026 Notes shall be secured by a Lien ranking equal to and ratably with (or, at the Issuer’s option, senior to) such secured Indebtedness until such time as such Indebtedness is no longer secured by such Lien, except that the foregoing restriction shall not apply to:

- (a) Liens existing on the date of the initial issuance of the 2026 Notes (other than any additional 2026 Notes) or that the Issuer or any of its Restricted Subsidiaries have agreed to pursuant to the terms of agreements existing on the date of the initial issuance of the 2026 Notes (other than any additional 2026 Notes);
- (b) Liens created or incurred after the date of the initial issuance of the 2026 Notes (other than any additional 2026 Notes) created in favor of the holders of the 2026 Notes;

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- (c) Liens in favor of the Issuer or one of its Subsidiaries;
 - (d) (i) Liens given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of all or any portion of the purchase price for the acquisition (including acquisition through merger or consolidation or the acquisition of a Person directly or indirectly owning such property) of any Property, including capital lease or purchase money transactions in connection with any such acquisition, or all or any portion of the cost of refurbishment, improvement, expansion, renovation, development or construction of any Property; *provided* that with respect to this clause (i), the Liens shall be given prior to, at the time of or within 12 months after such acquisition, or completion of such refurbishment, improvement, expansion, renovation, development or construction, or the full operation of such Property, whichever is latest, and shall attach solely to such Property (including any refurbishments, improvements, expansions, renovations, development or construction thereof or then or thereafter placed thereon) and any proceeds thereof; and (ii) Liens existing on all or any portion of any Property at the time of acquisition thereof (including acquisition through merger or consolidation or the acquisition of a Person then directly or indirectly owning such property) whether or not such existing Liens were given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of the purchase price of such Property;
 - (e) Liens on any Property in favor of the United States of America or any state thereof, or in favor of any other country, or any political subdivision, department, agency or instrumentality thereof to secure progress or other payments pursuant to any contract or statute or to secure Indebtedness incurred or guaranteed for the purpose of financing all or any portion of the cost of acquiring, refurbishing, improving, expanding, renovating, developing or constructing such Property, including Liens incurred in connection with pollution control, industrial revenue or similar financing;
 - (f) statutory or legislative Liens or other similar Liens (including pledges, deposits, carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law) arising in the ordinary course of the Issuer or any of its Restricted Subsidiaries' business, or Liens arising out of government contracts;
 - (g) Liens in connection with legal proceedings, including Liens arising out of judgments or awards, in each case so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
 - (h) Liens for taxes or assessments, landlord's Liens and Liens and charges, in each case (i) not yet due or payable or subject to penalties for non-payment or which the Issuer is contesting in good faith by appropriate proceedings and (ii) incidental to the conduct of the business or the ownership of the Issuer's assets or those of a Restricted Subsidiary;
 - (i) Liens incurred in connection with an acquisition of assets or a project financed on a non-recourse basis;

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- (j) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
 - (k) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of the Issuer's business;
 - (l) Liens securing obligations arising under or related to (a) the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business (each such transaction, a "Settlement") and (b) any payment or reimbursement obligation in respect of the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement (including, for the avoidance of doubt, any agreement with a bank or financial institution providing for short term financing for the purpose of funding any Settlement);
 - (m) Liens securing securitized indebtedness and receivables factoring, discounting, facilities or securitizations; and
 - (n) any extensions, renewals or replacements of any Lien referred to in clauses (a) through (m) without increase of the principal of the Indebtedness secured by such Lien (except to the extent of any fees or other costs associated with any such extension, renewal or replacement); provided, however, that any Liens permitted by any of clauses (a) through (m) shall not extend to or cover any of the Issuer's property or the property of any of its Subsidiaries, as the case may be, other than the property specified in such clauses and improvements to such property.

Notwithstanding the foregoing, the Issuer or any of its Restricted Subsidiaries may, without equally and ratably securing the 2026 Notes, create or incur Liens which would otherwise be subject to the restrictions set forth in the preceding paragraph, if after giving effect thereto and to the retirement of any Indebtedness that is being retired substantially concurrently, Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the date of the creation or incurrence of the Lien and (2) \$1.5 billion.

Limitation on Sale and Leaseback Transactions. The Issuer covenants that, so long as any of the 2026 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any arrangement with any Person providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any Principal Property, whether now owned or hereafter acquired, that has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person with the intention of taking back a lease of such Principal Property, a "sale and leaseback transaction," unless:

- (a) such transaction was entered into prior to the date of the initial issuance of the 2026 Notes (other than any additional 2026 Notes) or any extension, renewal, refinancing,

replacement, amendment or modification of such transaction so long as the affected Principal Property is substantially the same as or similar in nature to the Principal Property subject to the sale and leaseback transaction extended, renewed, refinanced, replaced, amended or modified;

- (b) such transaction was for the sale and leasing back to the Issuer or any of its wholly-owned Subsidiaries of any Principal Property by one of the Issuer's Restricted Subsidiaries;
- (c) such transaction involves a lease for not more than three years (or which may be terminated by the Issuer or its Restricted Subsidiaries within a period of not more than three years);
- (d) the Issuer would be entitled to incur Indebtedness secured by a Lien with respect to such sale and leaseback transaction without equally and ratably securing the 2026 Notes pursuant to the first paragraph of the "—Limitation on Liens" covenant described above; or
- (e) the Issuer or any of its Restricted Subsidiaries applies an amount equal to the net proceeds from the sale of such Principal Property to the purchase of other property or assets used or useful in its business (including the purchase or development of other Principal Property) or to the retirement of Indebtedness that is pari passu with the 2026 Notes (including the 2026 Notes) within 365 days before or after the effective date of any such sale and leaseback transaction, provided that, in lieu of applying such amount to the retirement of pari passu Indebtedness, we may deliver 2026 Notes to the trustee for cancellation, such 2026 Notes to be credited at the cost thereof.

Notwithstanding the restrictions set forth in the preceding paragraph, the Issuer or any of its Restricted Subsidiaries may enter into any sale and leaseback transaction which would otherwise be subject to the foregoing restrictions, if after giving effect thereto Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the relevant date of determination and (2) \$1.5 billion.

"Aggregate Debt" means the sum of the following, as of the date of determination: (1) the aggregate principal amount of the Issuer's and its Restricted Subsidiaries' Indebtedness incurred after the date of initial issuance of the 2026 Notes and secured by Liens not permitted by the first paragraph under "—Limitation on Liens" above and (2) the Issuer's and its Restricted Subsidiaries' Attributable Debt in respect of sale and leaseback transactions entered into after the date of the initial issuance of the 2026 Notes pursuant to the second paragraph of "—Limitation on Sale and Leaseback Transactions" above.

"Attributable Debt" means, with respect to any sale and leaseback transaction, at the time of determination, the lesser of (1) the fair market value of such Principal Property as determined in good faith by the Issuer's board of directors, and (2) the total obligation (discounted to the present value at the implicit interest factor, determined in accordance with GAAP, included in the rental payments) of the lessee for rental payments (other than amounts required to be paid on account of property taxes as well as maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the base term of the lease included in such transaction.

“Consolidated Net Tangible Assets” means, as of any date of determination, the aggregate amount of assets after deducting therefrom: (1) all current liabilities, except for notes and loans payable, current maturities of long-term debt, current portion of convertible securities, current portion of deferred revenue and obligations under capital leases; and (2) intangible assets to the extent included in the aggregate amount of assets, net of applicable reserves and any amortized amounts, all as reflected on the Issuer’s most recent consolidated balance sheet prepared in accordance with GAAP.

“GAAP” means accounting principles generally accepted in the United States of America, which are in effect as of the date of application thereof.

“Indebtedness” of any specified Person means, without duplication, indebtedness of such Person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“Principal Property” means any single parcel of real property or any permanent improvement thereon (1) owned by the Issuer or any of its Restricted Subsidiaries located in the United States, including the Issuer’s principal corporate office, any other offices or data centers or any portion thereof and (2) having a book value, as of the date of determination, in excess of 3% of the Issuer’s Consolidated Net Tangible Assets. Principal Property does not include any property that the Issuer’s board of directors has determined not to be of material importance to the business conducted by the Issuer’s Subsidiaries and the Issuer, taken as a whole.

“Restricted Subsidiary” means any subsidiary of ours that constitutes a “significant subsidiary” (as such term is defined in Regulation S-X, promulgated pursuant to the Securities Act), excluding (a) any subsidiary which is not organized under the laws of any state of the United States of America, (b) any subsidiary which conducts the major portion of its business outside the United States of America and (c) any subsidiary of any of the foregoing.

21. Conversion and Exchange. The 2026 Notes shall not be convertible into or exchangeable for any other security.
22. Additional Issues. The Issuer may, without notice to or the consent of the Holders of the 2026 Notes, create and issue additional 2026 Notes with the same terms as the 2026 Notes issued on September 26, 2019 (the “Initial 2026 Notes”), except for the issue date, the offering price and, under certain circumstances, the first interest payment date. Such additional 2026 Notes shall be consolidated and form a single series with the Initial 2026 Notes; *provided* that if such additional 2026 Notes are not fungible with the Initial 2026 Notes for U.S. federal income tax purposes, such additional 2026 Notes will have one or more separate CUSIP numbers. No additional 2026 Notes may be issued if an Event of Default has occurred and is continuing with respect to the 2026 Notes.
23. Definitions. Capitalized terms used but not otherwise defined in this Annex shall have the respective meanings ascribed to such terms in the Indenture.

As used herein, the following term has the specified meaning:

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.
24. Other Terms. The 2026 Notes shall have the other terms and shall be substantially in the form set forth in the form of the 2026 Notes attached hereto as Annex C-1. In case of any conflict between this Annex or the form of the 2026 Notes and the Indenture, this Annex or the form of the 2026 Notes shall control, as applicable.

[FORM OF 2026 NOTE]

REGISTERED

THIS NOTE IS A REGISTERED GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL THIS NOTE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE REGISTERED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No. R – A1

CUSIP NO. 70450Y AD5
ISIN NO. US70450YAD58**PAYPAL HOLDINGS, INC.**

2.650% Notes due 2026

PayPal Holdings, Inc., a Delaware corporation (the “Issuer,” which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars (\$) on October 1, 2026 and to pay interest on said principal sum from September 26, 2019, or from the most recent interest payment date to which interest has been paid or duly provided for, semi-annually in arrears on April 1 and October 1 (each such date, an “Interest Payment Date”) of each year commencing on April 1, 2020, at the rate of 2.650% per annum until the principal hereof shall have become due and payable.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which the principal or interest payable on this Note is not a Business Day, then payment of principal or interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay). The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (referred to on the reverse hereof) be paid to the Person in whose name this Note is registered at the close of business on the record date for such interest installment, which shall be the close of business on the immediately preceding March 15 and September 15 prior to such Interest Payment Date, as applicable (whether or not such record date is a Business Day). Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such record date and may be paid to the Person in whose name this Note is registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest), notice whereof shall be sent by or on behalf of the Issuer to the registered Holders of Notes not less than 15 days preceding such subsequent record date, all as more fully provided in the Indenture. The principal of and the interest on this Note shall be payable at the office or agency of the Issuer maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest, to the extent this Note is not represented by a Registered Global Security, may be made at the option of the Issuer by

check sent to the Person entitled thereto at such address as shall appear in the registry books of the Issuer; *provided, further*, that for so long as this Note is represented by a Registered Global Security, payment of principal, premium, if any, or interest on this Note may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee (as defined below) under the Indenture (as defined below), by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

Capitalized terms used in this Note which are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed, manually or in facsimile.

PAYPAL HOLDINGS, INC.

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Securities
referred to in the within-mentioned
Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Dated: _____

[FORM OF REVERSE SIDE OF NOTE]

This Note is one of a duly authorized series of Securities of the Issuer designated as its 2.650% Notes due 2026 (the “Notes”). The Notes are all issued or to be issued under and pursuant to an Indenture, dated as of September 26, 2019 (the “Indenture”), duly executed and delivered between the Issuer and Wells Fargo Bank, National Association as trustee with respect to the Notes (the “Trustee”), to which the Indenture and the Officer’s Certificate setting forth the terms of the Notes is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The Notes are Senior Securities within the meaning of the Indenture.

The Notes are issuable only as Registered Securities in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same.

Except as set forth below, this Note is not redeemable. This Note is not entitled to the benefit of a sinking fund or any analogous provision.

Prior to August 1, 2026, the Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on August 1, 2026 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 15 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after August 1, 2026, the Issuer may redeem the Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices will be sent (or in the case of Notes held in book-entry form, be transmitted electronically) to Holders of the Notes to be redeemed at least 30 and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be sent more than 60 days prior to a redemption if the notice is issued in connection with a defeasance or covenant defeasance of the Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to August 1, 2026 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the Notes in whole as described above, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all Notes or portions of Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of Notes held in book-entry form, transmit electronically) to each Holder of Notes properly tendered the repurchase price for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unreurchased portion of any Notes surrendered; provided, that each new Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein and the third party repurchases all Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein. In addition, the Issuer will not be required to, and will not, make an offer to repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the Notes.

"Below Investment Grade Rating Event" means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property,

other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the registry books of the Issuer, upon surrender of this Note for registration of transfer at the office or agency of the Issuer maintained by the Issuer for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder hereof or by its attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[FORM OF SCHEDULE FOR ENDORSEMENTS ON REGISTERED
GLOBAL SECURITIES TO REFLECT CHANGES IN PRINCIPAL AMOUNT]

Schedule A

Changes to Principal Amount of Registered Global Securities

Date	Principal Amount of Notes by which this Registered Global Security is to be Reduced or Increased, and Reason for Reduction or Increase	Remaining Principal Amount of this Registered Global Security	Notation Made By

Pursuant to Section 2.3 of the Indenture, dated as of September 26, 2019 (the “Indenture”), between PayPal Holdings, Inc., a Delaware corporation (the “Issuer”), and Wells Fargo Bank, National Association, as trustee (the “Trustee”), the terms of a series of Securities to be issued pursuant to the Indenture are as follows:

1. Designation. The designation of the securities is “2.850% Notes due 2029” (the “2029 Notes”).
2. Initial Aggregate Principal Amount. The 2029 Notes shall be limited in initial aggregate principal amount to \$1,500,000,000 (except for 2029 Notes authenticated and delivered upon registration of transfer or exchange in accordance with the Indenture or this Annex D (this “Annex”).
3. Currency Denomination. The 2029 Notes shall be denominated in Dollars.
4. Maturity. The date on which the principal of the 2029 Notes is payable is October 1, 2029.
5. Rate of Interest; Interest Payment Date; Regular Record Dates. Each 2029 Note shall bear interest from September 26, 2019 at 2.850% per annum until the principal thereof is paid. Such interest shall be payable semi-annually in arrears on April 1 and October 1 of each year, commencing on April 1, 2020, to the Persons in whose names the 2029 Notes are registered at the close of business on the immediately preceding March 15 and September 15, respectively (whether or not such record date is a Business Day). Interest on the 2029 Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from September 26, 2019. Interest on the 2029 Notes shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which principal, premium, if any, or interest is payable on the 2029 Notes is not a Business Day, then payment of the principal, premium, if any, or interest payable on such date will be made on the next succeeding day that is a Business Day (and no additional interest shall accrue as a result of such delay in payment).
6. Place of Payment. Principal of, premium, if any, and interest on the 2029 Notes shall be payable, and the transfer of the 2029 Notes shall be registrable, at the office or agency of the Issuer to be maintained for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, except that, at the option of the Issuer, interest may be paid by sending a check to the address of the Person entitled thereto as it appears on the 2029 Notes register; *provided, however*, that while any 2029 Notes are represented by a Registered Global Security, payment of principal of, premium, if any, or interest on the 2029 Notes may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.
7. Optional Redemption. Prior to July 1, 2029, the 2029 Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of

the 2029 Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the 2029 Notes matured on July 1, 2029 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, plus 20 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any 2029 Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after July 1, 2029, the Issuer may redeem the 2029 Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on 2029 Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices of any redemption will be mailed (or in the case of 2029 Notes held in book-entry form, be transmitted electronically) at least 30 days but not more than 60 days before the redemption date to Holders of the 2029 Notes to be redeemed, except that redemption notices may be delivered more than 60 days prior to a redemption if the notice is issued in connection with a legal or covenant defeasance of the 2029 Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the 2029 Notes or portions thereof called for redemption. If less than all of the 2029 Notes are to be redeemed, the 2029 Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to July 1, 2029 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2029 Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

8. Change of Control Repurchase Event. If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the 2029 Notes in whole as described in Section 7 above, the Issuer will be required to make an offer to each Holder of 2029 Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s 2029 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of 2029 Notes repurchased plus any accrued and unpaid interest, if any, on the 2029 Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase 2029 Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the 2029 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2029 Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the 2029 Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all 2029 Notes or portions of 2029 Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all 2029 Notes or portions of 2029 Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the 2029 Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of 2029 Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of 2029 Notes held in book-entry form, transmit electronically) to each Holder of 2029 Notes properly tendered the repurchase price for such 2029 Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new 2029 Note equal in principal amount to any unredeemed portion of any 2029 Notes surrendered; provided, that each new 2029 Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the 2029 Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8 and the third party repurchases all 2029 Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer pursuant to this Section 8. In addition, the Issuer will not be required to, and the Issuer will not, make an offer to repurchase any 2029 Notes upon a Change of Control Repurchase Event if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the 2029 Notes.

"Below Investment Grade Rating Event" means the 2029 Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the 2029 Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting

power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the 2029 Notes or fails to make a rating of the 2029 Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

9. Mandatory Redemption. Other than with respect to a Change of Control Repurchase Event as described above, the 2029 Notes are not mandatorily redeemable. The 2029 Notes are not entitled to the benefit of a sinking fund or any analogous provisions.
10. Denominations. The 2029 Notes shall be issued initially in minimum denominations of \$2,000 and shall be issued in integral multiples of \$1,000 in excess thereof.
11. Amount Payable Upon Acceleration. The principal of the 2029 Notes shall be payable upon declaration of acceleration pursuant to Section 5.1 of the Indenture. The 2029 Notes shall not be Original Issue Discount Securities within the meaning of the Indenture.

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12. Payment Currency. Principal and interest on the 2029 Notes shall be payable in Dollars.
 13. Payment Currency – Election. The principal of and interest on the 2029 Notes shall not be payable in a currency other than Dollars.
 14. Payment Currency – Index. The principal of and interest on the 2029 Notes shall not be determined with reference to an index based on a coin or currency.
 15. Registered Securities. The 2029 Notes shall be issued only as Registered Securities. The 2029 Notes shall initially be issuable as Registered Global Securities, subject to Section 2.8 of the Indenture.
 16. Additional Amounts. The Issuer shall not pay additional amounts on the 2029 Notes held by a Person that is not a U.S. Person in respect of taxes or similar charges withheld or deducted.
 17. Definitive Certificates. Section 2.8 of the Indenture will govern the transferability of the 2029 Notes in definitive form.
 18. Registrar; Paying Agent; Depository. The Trustee shall initially serve as the registrar and the paying agent for the 2029 Notes. The Depository Trust Company shall initially serve as the Depository for the Registered Global Security representing the 2029 Notes.
 19. Events of Default. In addition to the Events of Default set forth in Section 5.1 of the Indenture, the failure by the Issuer to repurchase 2029 Notes tendered for repurchase following the occurrence of a Change of Control Repurchase Event in conformity with the covenant set forth in Section 8 hereof is an Event of Default with respect to the 2029 Notes.
 20. Covenants. There shall be the following additions to the covenants of the Issuer set forth in Article III of the Indenture with respect to the 2029 Notes:

Limitation on Liens. The Issuer covenants that, so long as any of the 2029 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, create or assume any mortgage, pledge, security interest, lien, charge or encumbrance of any kind (each, a “Lien”) on (a) any Principal Property or (b) any capital stock or Indebtedness of any of the Issuer’s Restricted Subsidiaries (together, “Property”), in each case whether now owned or hereafter acquired, in order to secure any Indebtedness, without effectively providing that the 2029 Notes shall be secured by a Lien ranking equal to and ratably with (or, at the Issuer’s option, senior to) such secured Indebtedness until such time as such Indebtedness is no longer secured by such Lien, except that the foregoing restriction shall not apply to:

- (a) Liens existing on the date of the initial issuance of the 2029 Notes (other than any additional 2029 Notes) or that the Issuer or any of its Restricted Subsidiaries have agreed to pursuant to the terms of agreements existing on the date of the initial issuance of the 2029 Notes (other than any additional 2029 Notes);
- (b) Liens created or incurred after the date of the initial issuance of the 2029 Notes (other than any additional 2029 Notes) created in favor of the holders of the 2029 Notes;

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- (c) Liens in favor of the Issuer or one of its Subsidiaries;
 - (d) (i) Liens given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of all or any portion of the purchase price for the acquisition (including acquisition through merger or consolidation or the acquisition of a Person directly or indirectly owning such property) of any Property, including capital lease or purchase money transactions in connection with any such acquisition, or all or any portion of the cost of refurbishment, improvement, expansion, renovation, development or construction of any Property; *provided* that with respect to this clause (i), the Liens shall be given prior to, at the time of or within 12 months after such acquisition, or completion of such refurbishment, improvement, expansion, renovation, development or construction, or the full operation of such Property, whichever is latest, and shall attach solely to such Property (including any refurbishments, improvements, expansions, renovations, development or construction thereof or then or thereafter placed thereon) and any proceeds thereof; and (ii) Liens existing on all or any portion of any Property at the time of acquisition thereof (including acquisition through merger or consolidation or the acquisition of a Person then directly or indirectly owning such property) whether or not such existing Liens were given to secure (or to secure Indebtedness incurred or guaranteed by the Issuer or any of its Restricted Subsidiaries for the purpose of financing) the payment of the purchase price of such Property;
 - (e) Liens on any Property in favor of the United States of America or any state thereof, or in favor of any other country, or any political subdivision, department, agency or instrumentality thereof to secure progress or other payments pursuant to any contract or statute or to secure Indebtedness incurred or guaranteed for the purpose of financing all or any portion of the cost of acquiring, refurbishing, improving, expanding, renovating, developing or constructing such Property, including Liens incurred in connection with pollution control, industrial revenue or similar financing;
 - (f) statutory or legislative Liens or other similar Liens (including pledges, deposits, carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law) arising in the ordinary course of the Issuer or any of its Restricted Subsidiaries' business, or Liens arising out of government contracts;
 - (g) Liens in connection with legal proceedings, including Liens arising out of judgments or awards, in each case so long as such Lien is adequately bonded and any appropriate legal proceedings that may have been initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;
 - (h) Liens for taxes or assessments, landlord's Liens and Liens and charges, in each case (i) not yet due or payable or subject to penalties for non-payment or which the Issuer is contesting in good faith by appropriate proceedings and (ii) incidental to the conduct of the business or the ownership of the Issuer's assets or those of a Restricted Subsidiary;
 - (i) Liens incurred in connection with an acquisition of assets or a project financed on a non-recourse basis;

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- (j) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
 - (k) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of the Issuer's business;
 - (l) Liens securing obligations arising under or related to (a) the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business (each such transaction, a "Settlement") and (b) any payment or reimbursement obligation in respect of the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement (including, for the avoidance of doubt, any agreement with a bank or financial institution providing for short term financing for the purpose of funding any Settlement);
 - (m) Liens securing securitized indebtedness and receivables factoring, discounting, facilities or securitizations; and
 - (n) any extensions, renewals or replacements of any Lien referred to in clauses (a) through (m) without increase of the principal of the Indebtedness secured by such Lien (except to the extent of any fees or other costs associated with any such extension, renewal or replacement); provided, however, that any Liens permitted by any of clauses (a) through (m) shall not extend to or cover any of the Issuer's property or the property of any of its Subsidiaries, as the case may be, other than the property specified in such clauses and improvements to such property.

Notwithstanding the foregoing, the Issuer or any of its Restricted Subsidiaries may, without equally and ratably securing the 2029 Notes, create or incur Liens which would otherwise be subject to the restrictions set forth in the preceding paragraph, if after giving effect thereto and to the retirement of any Indebtedness that is being retired substantially concurrently, Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the date of the creation or incurrence of the Lien and (2) \$1.5 billion.

Limitation on Sale and Leaseback Transactions. The Issuer covenants that, so long as any of the 2029 Notes remain outstanding, it shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any arrangement with any Person providing for the leasing by the Issuer or any of its Restricted Subsidiaries of any Principal Property, whether now owned or hereafter acquired, that has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person with the intention of taking back a lease of such Principal Property, a "sale and leaseback transaction," unless:

- (a) such transaction was entered into prior to the date of the initial issuance of the 2029 Notes (other than any additional 2029 Notes) or any extension, renewal, refinancing,

replacement, amendment or modification of such transaction so long as the affected Principal Property is substantially the same as or similar in nature to the Principal Property subject to the sale and leaseback transaction extended, renewed, refinanced, replaced, amended or modified;

- (b) such transaction was for the sale and leasing back to the Issuer or any of its wholly-owned Subsidiaries of any Principal Property by one of the Issuer's Restricted Subsidiaries;
- (c) such transaction involves a lease for not more than three years (or which may be terminated by the Issuer or its Restricted Subsidiaries within a period of not more than three years);
- (d) the Issuer would be entitled to incur Indebtedness secured by a Lien with respect to such sale and leaseback transaction without equally and ratably securing the 2029 Notes pursuant to the first paragraph of the "—Limitation on Liens" covenant described above; or
- (e) the Issuer or any of its Restricted Subsidiaries applies an amount equal to the net proceeds from the sale of such Principal Property to the purchase of other property or assets used or useful in its business (including the purchase or development of other Principal Property) or to the retirement of Indebtedness that is pari passu with the 2029 Notes (including the 2029 Notes) within 365 days before or after the effective date of any such sale and leaseback transaction, provided that, in lieu of applying such amount to the retirement of pari passu Indebtedness, we may deliver 2029 Notes to the trustee for cancellation, such 2029 Notes to be credited at the cost thereof.

Notwithstanding the restrictions set forth in the preceding paragraph, the Issuer or any of its Restricted Subsidiaries may enter into any sale and leaseback transaction which would otherwise be subject to the foregoing restrictions, if after giving effect thereto Aggregate Debt does not exceed the greater of (1) 20% of the Issuer's Consolidated Net Tangible Assets on a consolidated basis calculated as of the relevant date of determination and (2) \$1.5 billion.

"Aggregate Debt" means the sum of the following, as of the date of determination: (1) the aggregate principal amount of the Issuer's and its Restricted Subsidiaries' Indebtedness incurred after the date of initial issuance of the 2029 Notes and secured by Liens not permitted by the first paragraph under "—Limitation on Liens" above and (2) the Issuer's and its Restricted Subsidiaries' Attributable Debt in respect of sale and leaseback transactions entered into after the date of the initial issuance of the 2029 Notes pursuant to the second paragraph of "—Limitation on Sale and Leaseback Transactions" above.

"Attributable Debt" means, with respect to any sale and leaseback transaction, at the time of determination, the lesser of (1) the fair market value of such Principal Property as determined in good faith by the Issuer's board of directors, and (2) the total obligation (discounted to the present value at the implicit interest factor, determined in accordance with GAAP, included in the rental payments) of the lessee for rental payments (other than amounts required to be paid on account of property taxes as well as maintenance, repairs, insurance, water rates and other items which do not constitute payments for property rights) during the remaining portion of the base term of the lease included in such transaction.

“Consolidated Net Tangible Assets” means, as of any date of determination, the aggregate amount of assets after deducting therefrom: (1) all current liabilities, except for notes and loans payable, current maturities of long-term debt, current portion of convertible securities, current portion of deferred revenue and obligations under capital leases; and (2) intangible assets to the extent included in the aggregate amount of assets, net of applicable reserves and any amortized amounts, all as reflected on the Issuer’s most recent consolidated balance sheet prepared in accordance with GAAP.

“GAAP” means accounting principles generally accepted in the United States of America, which are in effect as of the date of application thereof.

“Indebtedness” of any specified Person means, without duplication, indebtedness of such Person for borrowed money (including, without limitation, indebtedness for borrowed money evidenced by notes, bonds, debentures or similar instruments).

“Principal Property” means any single parcel of real property or any permanent improvement thereon (1) owned by the Issuer or any of its Restricted Subsidiaries located in the United States, including the Issuer’s principal corporate office, any other offices or data centers or any portion thereof and (2) having a book value, as of the date of determination, in excess of 3% of the Issuer’s Consolidated Net Tangible Assets. Principal Property does not include any property that the Issuer’s board of directors has determined not to be of material importance to the business conducted by the Issuer’s Subsidiaries and the Issuer, taken as a whole.

“Restricted Subsidiary” means any subsidiary of ours that constitutes a “significant subsidiary” (as such term is defined in Regulation S-X, promulgated pursuant to the Securities Act), excluding (a) any subsidiary which is not organized under the laws of any state of the United States of America, (b) any subsidiary which conducts the major portion of its business outside the United States of America and (c) any subsidiary of any of the foregoing.

21. Conversion and Exchange. The 2029 Notes shall not be convertible into or exchangeable for any other security.
22. Additional Issues. The Issuer may, without notice to or the consent of the Holders of the 2029 Notes, create and issue additional 2029 Notes with the same terms as the 2029 Notes issued on September 26, 2019 (the “Initial 2029 Notes”), except for the issue date, the offering price and, under certain circumstances, the first interest payment date. Such additional 2029 Notes shall be consolidated and form a single series with the Initial 2029 Notes; *provided* that if such additional 2029 Notes are not fungible with the Initial 2029 Notes for U.S. federal income tax purposes, such additional 2029 Notes will have one or more separate CUSIP numbers. No additional 2029 Notes may be issued if an Event of Default has occurred and is continuing with respect to the 2029 Notes.
23. Definitions. Capitalized terms used but not otherwise defined in this Annex shall have the respective meanings ascribed to such terms in the Indenture.

As used herein, the following term has the specified meaning:

“Business Day” means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day when banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.
24. Other Terms. The 2029 Notes shall have the other terms and shall be substantially in the form set forth in the form of the 2029 Notes attached hereto as Annex D-1. In case of any conflict between this Annex or the form of the 2029 Notes and the Indenture, this Annex or the form of the 2029 Notes shall control, as applicable.

[FORM OF 2029 NOTE]

REGISTERED

THIS NOTE IS A REGISTERED GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL THIS NOTE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE REGISTERED FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO THE NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

No. R – A1

CUSIP NO. 70450Y AE3
ISIN NO. US70450YAE32**PAYPAL HOLDINGS, INC.**

2.850% Notes due 2029

PayPal Holdings, Inc., a Delaware corporation (the “Issuer,” which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of _____ Dollars (\$) on October 1, 2029 and to pay interest on said principal sum from September 26, 2019, or from the most recent interest payment date to which interest has been paid or duly provided for, semi-annually in arrears on April 1 and October 1 (each such date, an “Interest Payment Date”) of each year commencing on April 1, 2020, at the rate of 2.850% per annum until the principal hereof shall have become due and payable.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year composed of twelve 30-day months. In the event that any date on which the principal or interest payable on this Note is not a Business Day, then payment of principal or interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay). The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (referred to on the reverse hereof) be paid to the Person in whose name this Note is registered at the close of business on the record date for such interest installment, which shall be the close of business on the immediately preceding March 15 and September 15 prior to such Interest Payment Date, as applicable (whether or not such record date is a Business Day). Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such record date and may be paid to the Person in whose name this Note is registered at the close of business on a subsequent record date (which shall be not less than five Business Days prior to the date of payment of such defaulted interest), notice whereof shall be sent by or on behalf of the Issuer to the registered Holders of Notes not less than 15 days preceding such subsequent record date, all as more fully provided in the Indenture. The principal of and the interest on this Note shall be payable at the office or agency of the Issuer maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest, to the extent this Note is not represented by a Registered Global Security, may be made at the option of the Issuer by

check sent to the Person entitled thereto at such address as shall appear in the registry books of the Issuer; *provided, further*, that for so long as this Note is represented by a Registered Global Security, payment of principal, premium, if any, or interest on this Note may be made by wire transfer to the account of the Depository or its nominee in accordance with the Applicable Procedures.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee (as defined below) under the Indenture (as defined below), by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

Capitalized terms used in this Note which are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

The provisions of this Note are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed, manually or in facsimile.

PAYPAL HOLDINGS, INC.

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Securities
referred to in the within-mentioned
Indenture.

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Dated: _____

[FORM OF REVERSE SIDE OF NOTE]

This Note is one of a duly authorized series of Securities of the Issuer designated as its 2.850% Notes due 2029 (the “Notes”). The Notes are all issued or to be issued under and pursuant to an Indenture, dated as of September 26, 2019 (the “Indenture”), duly executed and delivered between the Issuer and Wells Fargo Bank, National Association as trustee with respect to the Notes (the “Trustee”), to which the Indenture and the Officer’s Certificate setting forth the terms of the Notes is hereby made for a statement of the respective rights thereunder of the Issuer, the Trustee and the Holders of the Notes and the terms upon which the Notes are to be authenticated and delivered. The Notes are Senior Securities within the meaning of the Indenture.

The Notes are issuable only as Registered Securities in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Notes are exchangeable for a like aggregate principal amount of Notes as requested by the Holder surrendering the same.

Except as set forth below, this Note is not redeemable. This Note is not entitled to the benefit of a sinking fund or any analogous provision.

Prior to July 1, 2029, the Notes may be redeemed, in whole at any time or in part from time to time, at the option of the Issuer, for cash, at a redemption price equal to the greater of (i) 100% of the principal amount of the Notes to be redeemed or (ii) an amount determined by the Quotation Agent equal to the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the Notes matured on July 1, 2029 (not including any portion of such payments of interest accrued to the date of redemption), discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points, plus, in each case, accrued and unpaid interest, if any, thereon to, but not including, the date of redemption; provided that the principal amount of any Note remaining outstanding after a redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, on or after July 1, 2029, the Issuer may redeem the Notes, in whole at any time or in part from time to time, at its option, for cash, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date. Notwithstanding the foregoing, installments of interest on Notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered Holders as of the close of business on the relevant record date. Notices will be sent (or in the case of Notes held in book-entry form, be transmitted electronically) to Holders of the Notes to be redeemed at least 30 and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be sent more than 60 days prior to a redemption if the notice is issued in connection with a defeasance or covenant defeasance of the Notes or a satisfaction and discharge of the Notes and the Indenture pursuant to Section 10.1 of the Indenture. Unless the Issuer defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected by the Trustee by lot or in accordance with the Applicable Procedures.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the period from the relevant redemption date to July 1, 2029 (the “remaining term”) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations as determined by the Issuer and provided to the Trustee for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Issuer is provided fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations as determined by the Issuer.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Issuer to act as the Quotation Agent from time to time.

“Reference Treasury Dealer” means (i) Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer shall substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price on such redemption date.

If a Change of Control Repurchase Event occurs, unless the Issuer has previously exercised its right to redeem the Notes in whole as described above, the Issuer will be required to make an offer to each Holder of Notes to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) of such Holder’s Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of such repurchase. Within 30 days following any Change of Control Repurchase Event or, at the Issuer’s option, prior to any Change of Control, but after the public announcement of an impending Change of Control, the Issuer will send a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent (the “Change of Control Payment Date”). The notice shall, if sent prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Payment Date, the Issuer will be required, to the extent lawful, to:

- (a) accept for payment all Notes or portions of Notes (in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount) properly tendered pursuant to the Issuer's offer;
- (b) deposit with the paying agent, no later than 11:00 a.m., New York City time, an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (c) deliver or cause to be delivered to the Trustee for cancellation the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes being repurchased by the Issuer.

The paying agent will promptly mail (or, in the case of Notes held in book-entry form, transmit electronically) to each Holder of Notes properly tendered the repurchase price for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unreurchased portion of any Notes surrendered; provided, that each new Note will be in minimum denominations of \$2,000 and integral multiples of \$1,000 above that amount.

The Issuer will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein and the third party repurchases all Notes properly tendered and not withdrawn under its offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer as set forth herein. In addition, the Issuer will not be required to, and will not, make an offer to repurchase any Notes if there has occurred and is continuing on the Change of Control Payment Date an Event of Default with respect to the Notes.

"Below Investment Grade Rating Event" means the Notes are rated below an Investment Grade Rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control (which 60-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than the Issuer or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares or voting power of the Issuer's Voting Equity Interests; (3) the adoption of a plan by the Issuer's board of directors relating to the Issuer's liquidation or dissolution; or (4) the Issuer consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the Issuer's outstanding Voting Equity Interests or the outstanding Voting Equity Interests of such other Person is converted into or exchanged for cash, securities or other property,

other than any such transaction where the shares of the Issuer's Voting Equity Interests outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Equity Interests of the surviving Person or parent entity thereof immediately after giving effect to such transaction. Notwithstanding the foregoing, a transaction will not be deemed to result in a Change of Control if (a) the Issuer becomes a wholly-owned subsidiary of another Person and (b) immediately following that transaction, a majority of Voting Equity Interests of such Person is held by the direct or indirect holders of the Issuer's Voting Equity Interests immediately prior to such transaction and in substantially the same proportions as immediately prior to such transaction.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Fitch" means Fitch Inc., a subsidiary of Fimalac, S.A.

"Investment Grade Rating" means a rating equal to or higher than BBB (or the equivalent) by Fitch and BBB- (or the equivalent) by S&P.

"Rating Agencies" means (1) each of Fitch and S&P; and (2) if either of Fitch or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency for Fitch or S&P, or both of them, as the case may be.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on this Note at the time, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the registry books of the Issuer, upon surrender of this Note for registration of transfer at the office or agency of the Issuer maintained by the Issuer for such purpose in the contiguous United States of America, which shall initially be the Corporate Trust Office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Holder hereof or by its attorney duly authorized in writing, and thereupon one or more new Notes of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

No service charge shall be made for any such registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

[FORM OF SCHEDULE FOR ENDORSEMENTS ON REGISTERED
GLOBAL SECURITIES TO REFLECT CHANGES IN PRINCIPAL AMOUNT]

Schedule A

Changes to Principal Amount of Registered Global Securities

Date	Principal Amount of Notes by which this Registered Global Security is to be Reduced or Increased, and Reason for Reduction or Increase	Remaining Principal Amount of this Registered Global Security	Notation Made By

[Letterhead of Skadden, Arps, Slate, Meagher & Flom LLP]

September 26, 2019

PayPal Holdings, Inc.
2211 North First Street
San Jose, California 95131

Re: PayPal Holdings, Inc.
Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as special United States counsel to PayPal Holdings, Inc., a Delaware corporation (the “Company”), in connection with the public offering by the Company of \$1,000,000,000 aggregate principal amount of 2.200% Notes due 2022, \$1,250,000,000 aggregate principal amount of 2.400% Notes due 2024, \$1,250,000,000 aggregate principal amount of 2.650% Notes due 2026 and \$1,500,000,000 aggregate principal amount of 2.850% Notes due 2029 (collectively, the “Notes”) to be issued under the Indenture, dated the date hereof (the “Indenture”), between the Company and Wells Fargo Bank, National Association, as trustee (the “Trustee”).

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”).

In rendering the opinions stated herein, we have examined and relied upon the following:

(a) the registration statement on Form S-3 (File No. 333-233776) of the Company relating to debt securities and other securities of the Company filed on September 16, 2019 with the Securities and Exchange Commission (the "Commission") under the Securities Act allowing for delayed offerings pursuant to Rule 415 of the General Rules and Regulations under the Securities Act (the "Rules and Regulations"), including the information deemed to be a part of the registration statement pursuant to Rule 430B of the Rules and Regulations (such registration statement being hereinafter referred to as the "Registration Statement");

(b) the prospectus, dated September 16, 2019 (the "Base Prospectus"), which forms a part of and is included in the Registration Statement;

(c) the preliminary prospectus supplement, dated September 19, 2019 (together with the Base Prospectus, the "Preliminary Prospectus"), relating to the offering of the Notes, in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(d) the prospectus supplement, dated September 19, 2019 (together with the Base Prospectus, the "Prospectus"), relating to the offering of the Notes, in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(e) an executed copy of the Underwriting Agreement, dated September 19, 2019 (the "Underwriting Agreement"), among the Company and Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as representatives of the several Underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Notes;

(f) an executed copy of the Indenture;

(g) an executed copy of a certificate of Anthony Glasby, Vice President and Treasurer of the Company, dated the date hereof, setting forth the terms of the Securities;

(h) the global certificates evidencing the Notes registered in the name of Cede & Co. (the "Note Certificates") in the form delivered by the Company to the Trustee for authentication and delivery;

(i) an executed copy of a certificate of Brian Yamasaki, Vice President, Corporate Legal and Secretary of the Company, dated the date hereof (the "Secretary's Certificate");

(j) a copy of the Company's Restated Certificate of Incorporation certified by the Secretary of State of the State of Delaware as of September 10, 2019, and certified pursuant to the Secretary's Certificate;

(k) a copy of the Company's Amended and Restated Bylaws in effect as of the date hereof and certified pursuant to the Secretary's Certificate; and

(l) a copy of certain resolutions of the Board of Directors of the Company, adopted on September 10, 2019, certified pursuant to the Secretary's Certificate.

We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents as we have deemed necessary or appropriate as a basis for the opinions stated below.

In our examination, we have assumed the genuineness of all signatures, including endorsements, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photocopied copies, and the authenticity of the originals of such copies. As to any facts relevant to the opinions stated herein that we did not independently establish or verify, we have relied upon statements and representations of officers and other representatives of the Company and others and of public officials, including those in the Secretary's Certificate and the factual representations and warranties contained in the Underwriting Agreement.

We do not express any opinion with respect to the laws of any jurisdiction other than (i) the laws, of the State of New York and (ii) the General Corporation Law of the State of Delaware (the "DGCL") (all of the foregoing being referred to as "Opined on Law").

As used herein, "Transaction Documents" means the Underwriting Agreement, the Indenture and the Note Certificates.

Based upon the foregoing and subject to the qualifications and assumptions stated herein, we are of the opinion that the Note Certificates have been duly authorized by all requisite corporate action on the part of the Company and duly executed by the Company under the DGCL, and when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, the Note Certificates will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms under the laws of the State of New York.

The opinions stated herein are subject to the following qualifications:

(a) we do not express any opinion with respect to the effect on the opinions stated herein of any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preference and other similar laws affecting creditors' rights generally, and the opinions stated herein are limited by such laws and by general principles of equity (regardless of whether enforcement is sought in equity or at law);

(b) we do not express any opinion with respect to any law, rule or regulation that is applicable to any party to any of the Transaction Documents or the transactions contemplated thereby solely because such law, rule or regulation is part of a regulatory regime applicable to any such party or any of its affiliates as a result of the specific assets or business operations of such party or such affiliates;

(c) except to the extent expressly stated in the opinions contained herein, we have assumed that each of the Transaction Documents constitutes the valid and binding obligation of each party to such Transaction Document, enforceable against such party in accordance with its terms;

(d) we do not express any opinion with respect to the enforceability of any provision contained in any Transaction Document relating to any indemnification, contribution, non-reliance, exculpation, release, limitation or exclusion of remedies, waiver or other provisions having similar effect that may be contrary to public policy or violative of federal or state securities laws, rules or regulations, or to the extent any such provision purports to, or has the effect of, waiving or altering any statute of limitations; and

(e) to the extent that any opinion relates to the enforceability of the choice of New York law and choice of New York forum provisions contained in any Transaction Document, the opinions stated herein are subject to the qualification that such enforceability may be subject to, in each case, (i) the exceptions and limitations in New York General Obligations Law sections 5-1401 and 5-1402 and (ii) principles of comity or constitutionality.

In addition, in rendering the foregoing opinions we have assumed that, at all applicable times:

(a) neither the execution and delivery by the Company of the Transaction Documents nor the performance by the Company of its obligations thereunder, including the issuance and sale of the Notes: (i) constituted or will constitute a violation of, or a default under, any lease, indenture, instrument or other agreement to which the Company or its property is subject (except that we do not make the assumption set forth in this clause (i) with respect to those agreements or instruments which are listed in Part II of the Registration Statement or the Company's Annual Report on Form 10-K for the year ended December 31, 2018), (ii) contravened or will contravene any order or decree of any governmental authority to which the Company or its property is subject, or (iii) violated or will violate any law, rule or regulation to which the Company or its property is subject (except that we do not make the assumption set forth in this clause (iii) with respect to the Opined-on Law); and

(b) neither the execution and delivery by the Company of the Transaction Documents nor the performance by the Company of its obligations thereunder, including the issuance and sale of the Notes, required or will require the consent, approval, licensing or authorization of, or any filing, recording or registration with, any governmental authority under any law, rule or regulation of any jurisdiction.

We hereby consent to the reference to our firm under the heading "Legal Matters" in the Preliminary Prospectus and the Prospectus. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations. We also hereby consent to the filing of this opinion with the Commission as an exhibit to the Company's Current Report on Form 8-K being filed on the date hereof and incorporated by reference into the Registration Statement. This opinion is expressed as of the date hereof unless otherwise expressly stated, and we disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Skadden, Arps, Slate, Meagher & Flom LLP

