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VIA STAFF ONLINE FORM

January 31, 2025

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: PayPal Holdings, Inc. – 2025 Annual Meeting
Omission of Shareholder Proposal of
the National Center for Public Policy Research

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are writing on behalf of our client, PayPal Holdings, Inc., a Delaware corporation (the "Company"), to request that the Staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") concur with the Company's view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the "Proposal") submitted by the National Center for Public Policy Research (the "Proponent") from the proxy materials to be distributed by the Company in connection with its 2025 annual meeting of shareholders (the "2025 proxy materials").

In accordance with relevant Staff guidance, we are submitting this letter and its attachments to the Staff through the Staff's online Shareholder Proposal Form. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponent, as notice of the Company's intent to omit the Proposal from the 2025 proxy materials.

Rule 14a-8(k) and Section E of Staff Legal Bulletin No. 14D (Nov. 7, 2008) provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the Company.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

> **Resolved:** Shareholders request that PayPal report to shareholders, at reasonable expense and excluding confidential information, an analysis of how PayPal's charitable contributions impact its risks related to discrimination against individuals based on their speech or religious exercise.

II. Bases for Exclusion

We hereby respectfully request that the Staff concur with the Company's view that the Proposal may be excluded from the 2025 proxy materials pursuant to:

- Rule 14a-8(i)(5) because the Proposal relates to operations of the Company that account for less than 5% of the Company's total assets, net earnings and gross sales and is not otherwise significantly related to the Company's business;

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations; and

- Rule 14a-8(i)(3) because the Proposal is impermissibly vague and indefinite, so as to be materially false and misleading in violation of Rule 14a-9.

III. Background

The Company received an initial version of the Proposal and a cover letter from the Proponent via email on December 9, 2024. On December 11, 2024, the Company sent an email to the Proponent requesting that the initial version of the Proposal be revised so that it does not exceed 500 words. The Proponent provided a revised version of the Proposal on December 11. On December 13, 2024, the Company received an email from the Proponent with a copy of a letter from Wells Fargo Advisors, verifying the Proponent's stock ownership in the Company. Copies

of the initial Proposal, cover letter, revised Proposal and related correspondence are attached hereto as Exhibit A.[1]

IV. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(5) Because It Relates to Operations That Account for Less Than 5% of the Company's Total Assets, Net Earnings and Gross Sales and Is Not Otherwise Significantly Related to the Company's Business.

Rule 14a-8(i)(5) provides that a company may omit a shareholder proposal from its proxy materials "[i]f the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business." The purpose of this exclusion is to ensure that a company's proxy materials do not include shareholder proposals that lack a significant relationship to the company. *See* Exchange Act Release No. 34-19135 (Oct. 14, 1982) (the "1982 Release") (concerning Rule 14a-8(c)(5) – the predecessor to Rule 14a-8(i)(5)) and Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release") (renumbering the exclusion to Rule 14a-8(i)(5) and stating that by doing so, the Commission was "not making any substantive changes to the rule"). Consistent with Rule 14a-8(i)(5) and its underlying purpose, the Staff has concurred on a number of occasions with the exclusion of proposals that relate to operations that account for less than 5% of a company's total assets, net earnings and gross sales. *See, e.g.*, *Chubb Limited* (Mar. 26, 2021)[*]; *ResMed Inc.* (Jul. 17, 2020)[*]; *Reliance Steel & Aluminum Co.* (Apr. 2, 2019); *Dunkin' Brands Group, Inc.* (Feb. 22, 2018); *The Goldman Sachs Group, Inc.* (Feb. 19, 2013); *Arch Coal, Inc.* (Jan. 19, 2007); *Merck & Co., Inc.* (Jan. 27, 2004); *The Procter & Gamble Co.* (Aug. 11, 2003); *The Walt Disney Co.* (Nov. 29, 2002); *Eli Lilly & Co.* (Feb. 2, 2000).

In this instance, the Proposal lacks economic significance to the Company's business. In particular, the Proposal seeks a report assessing the risks related to the Company's own charitable contributions, as opposed to charitable contributions that the Company facilitates on its platform.[2] For instance, the supporting statement

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[1] Exhibit A omits correspondence between PayPal and the Proponent that is irrelevant to this request. *See* the Staff's "Announcement Regarding Personally Identifiable and Other Sensitive Information in Rule 14a-8 Submissions and Related Materials" (Dec. 17, 2021), available at https://www.sec.gov/corpfin/announcement/announcement-14a-8-submissions-pii-20211217.

[2] As described in our Global Impact Report, PayPal facilitates charitable giving by third-party donors such as our customers and partners to organizations of their choice through a variety of means, including the PayPal Giving Fund, PayPal and Venmo products, and our payment platform infrastructure. *See 2023 Global Impact Report*, available at https://s202.q4cdn.com/805890769/files/doc_downloads/2024/05/2023-PayPal-Global-Impact-Report.pdf.

asserts that the Company "needs to rebuild trust by increasing transparency around ***its*** charitable giving" (emphasis added). For the fiscal year ended December 31, 2024, the Company's own total charitable contributions were approximately $11.7 million, representing less than 1% of each of the Company's total assets as of December 31, 2024 and net earnings and gross sales for the fiscal year ended December 31, 2024, which falls far below the 5% thresholds set forth in Rule 14a-8(i)(5). Therefore, the Proposal does not relate to operations that are economically significant to the Company.

Even if a proposal is not economically significant to a company, a proposal may not be excluded under Rule 14a-8(i)(5) if it is "otherwise significantly related to the company's business." As the Commission stated in the 1982 Release:

> Historically, the Commission staff has taken the position that certain proposals, while relating to only a small portion of the issuer's operations, raise policy issues of significance to the issuer's business. . . . For example, the proponent could provide information that indicates that while a particular corporate policy which involves an arguably economically insignificant portion of an issuer's business, the policy may have a significant impact on other segments of the issuer's business or subject the issuer to significant contingent liabilities.

As discussed above, the Proposal relates to the Company's own charitable contributions, as opposed to contributions that the Company facilitates on its platform. Since the Company operates a for-profit business as a leading technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide, the Company's own charitable contributions do not have a significant impact on or financial benefit to the Company's business, nor do they subject the Company to significant contingent liabilities.

Further, even where a proposal raises a policy issue, the policy must be more than ethically or socially "significant in the abstract" and must have a "meaningful relationship to the business" of the company in question. *See Lovenheim v. Iroquois Brands, Ltd.*, 618 F. Supp. 554, 561 n.16 (D.D.C. 1985).[3] In this regard, the Staff has in many instances recognized that, although a proposal may relate to issues that are of social significance, those issues are not necessarily of concern to a company's shareholders because of the minimal impact those issues have on the company's business. For example, in *Hewlett-Packard Co.* (Jan. 7, 2003), the shareholder

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[3] In Staff Legal Bulletin No. 14L (Nov. 3, 2021), the Staff stated that it was returning to its historical approach of interpreting Rule 14a-8(i)(5) in a manner consistent with *Lovenheim v. Iroquois Brands, Ltd*.

proposal requested that the company relocate or close its offices in Israel, divest itself of land owned in Israel and distribute a letter regarding Israel's violation of numerous U.N. resolutions and international human rights standards. The Staff permitted the company to exclude the proposal under Rule 14a-8(i)(5) and noted that "the amount of revenue, earnings, and assets attributable to [the company's] operations in Israel is less than five percent and the proposal is not otherwise significantly related to [the company's] business." *See also, e.g., Chubb Limited* (Mar. 26, 2021)* (permitting exclusion under Rule 14a-8(i)(5) of a proposal requesting a report on "current company policies, and options to change such policies, to help ensure [that the company's] insurance offerings reduce, and do not increase the potential for racist police brutality, nor associate our brand with police violations of civil rights and liberties"); *Marriott International, Inc.* (Mar. 13, 2020) (permitting exclusion under Rule 14a-8(i)(5) of a proposal requesting that the company prohibit wild-animal displays at all of its hotels because the proposal was "not otherwise significantly related to" its business); *Dunkin' Brands Group, Inc.* (Feb. 22, 2018) (permitting exclusion under Rule 14a-8(i)(5) of a proposal requesting that the board "issue a report . . . assessing the environmental impacts of continuing to use K-Cup Pods brand packaging" because the proposal was not "otherwise significantly related to" its business); *American Stores Co.* (Mar. 25, 1994) (permitting exclusion under Rule 14a-8(i)(5) of a proposal requesting that the company terminate its sale of tobacco products because the proposal was "not otherwise significantly related to" its business); *Kmart Corp.* (Mar. 11, 1994) (permitting exclusion under Rule 14a-8(i)(5) of a proposal concerning the sale of firearms in the company's stores, noting that those sales were "not otherwise significantly related to" the company's business).

As discussed above, the Proposal relates to the Company's charitable contributions, which does not relate to the Company's overall business. Additionally, the Proposal fails to establish a correlation between any of the potential policy concerns addressed in the supporting statement and the Company's business. Instead, the supporting statement broadly alleges that the Company "needs to rebuild trust by increasing transparency around its charitable giving." As such, any policy issue that might be raised by the Proposal with respect to charitable contributions would only be significant in the abstract and would have minimal impact on the Company's business.

Accordingly, because the Proposal relates to less than 5% of the Company's total assets, net earnings and gross sales as of and for its most recent fiscal year and is not otherwise significantly related to the Company's business, the Proposal is excludable under Rule 14a-8(i)(5).

V. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In the 1998 Release, the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment. As demonstrated below, the Proposal implicates the first consideration.

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release") ("[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7)."). In addition, in Staff Legal Bulletin No. 14E (Oct. 27, 2009) ("SLB 14E"), the Staff noted that if a proposal relates to management of risks or liabilities that a company faces as a result of its operations, the Staff will focus on the "subject matter to which the risk pertains or that gives rise to the risk" in making a decision regarding whether a proposal can be properly excluded pursuant to Rule 14a-8(i)(7). Pursuant to SLB 14E, the Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) requesting an assessment of risks when the underlying subject matter concerns the ordinary business of the company. *See, e.g.*, *Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report "describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians, and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making," noting that the proposal related to the ordinary business matter of the "nature, presentation and content of programming and film production").

Consistent with this guidance, the Staff has permitted companies to exclude shareholder proposals under Rule 14a-8(i)(7) when, viewed in their entirety, those proposals focused primarily on relationships with, or contributions made to, specific organizations or types of non-profit organizations. For example, in *Pfizer Inc.* (Feb.

12, 2018), the Staff permitted the exclusion of a proposal requesting that the company review its policies related to human rights to assess and report on areas where the company needed to adopt and implement additional policies. The company noted that the proposal, "viewed in its entirety with the preamble and the supporting statement, focuses primarily on Pfizer's relationships with specific organizations, namely Pfizer's relationships with the Human Rights Campaign and the Southern Poverty Law Center." The Staff concurred that the proposal therefore related to the company's ordinary business operations and was excludable under Rule 14a-8(i)(7). *See also Netflix, Inc.* (Apr. 9, 2021) (permitting exclusion under Rule 14a-8(i)(7) of a proposal calling for the company to prepare and annually update a report to shareholders listing and analyzing charitable contributions made or committed during the prior year, in which the company argued that the proposal and the supporting statement, when read together, focused primarily on the company's contributions to organizations that support social justice movements); *PG&E Corp.* (Feb. 4, 2015) (permitting exclusion under Rule 14a-8(i)(7) of a proposal calling for formation of a committee to solicit feedback on the effect of anti-traditional family political and charitable contributions, noting that "the proposal relates to contributions to specific types of organizations"); *The Walt Disney Co.* (Nov. 20, 2014) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking to preserve the policy of acknowledging the Boy Scouts of America as a charitable organization to receive matching contributions under a company program, noting that "the proposal relates to charitable contributions to a specific organization"); *Home Depot, Inc.* (Mar. 18, 2011) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a list of recipients of charitable contributions or merchandise vouchers of $5,000 or more, noting that "the proposal relates to contributions to specific types of organizations," *i.e.*, groups supporting the gay, lesbian, bisexual and transgender community and same-sex marriage); *Johnson & Johnson* (Feb. 12, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company list all of its charitable contributions on the company's website, where the supporting statement referenced Planned Parenthood and other similar organizations, because the proposal was directed at "contributions to specific types of organizations"); *Bank of America Corp.* (Jan. 24, 2003) (permitting exclusion under Rule 14a-8(i)(7) of a proposal to cease making charitable contributions where a majority of the proposal referenced abortion and religious beliefs, noting that the proposal relates to "charitable contributions directed to specific types of organizations"); *Schering-Plough Corp.* (Mar. 4, 2002) (permitting exclusion under Rule 14a-8(i)(7) of a proposal to form a committee to study charitable contributions where the proposal sought to involve the company in the issue of abortion, noting that the proposal relates to "charitable contributions directed to specific types of organizations"). As demonstrated in these letters, a proposal focused primarily on relationships with or contributions made to specific organizations or types of organizations is excludable under Rule 14a-8(i)(7) both in instances where that focus is clear from the resolution

and in instances where, despite a facially neutral resolution, that focus is clear from the proposal viewed in its entirety.

In this instance, the Proposal focuses on the Company's relationships with specific types of non-profit organizations, including contributions to such organizations. In this regard, the Proposal criticizes the Company's alleged relationships with the Human Rights Campaign, which the Proposal claims has "led coalitions calling on major social media platforms to censor 'hate speech and harassment'" and "advocated for legislation like the Equality Act, which would pose serious threats to religious freedom, free speech, and the progress women have made toward equality in law and culture." The Proposal also takes issue with the Company's alleged relationships with the Southern Poverty Law Center, asserting that the Southern Poverty Law Center has "used its influence to get social media and tech companies, including [the Company], to adopt acceptable use policies that censor SPLC targets." Moreover, almost every paragraph of the supporting statement relates to these two organizations. While the Proposal contains a number of allegations, it is clearly focused on the Company's relationships with specific types of organizations — those that the Proponent alleges "are influencing public policy by actively attacking free speech and religious freedom." Accordingly, similar to the precedents cited above, the Proposal is directed at the Company's alleged relationships with particular types of organizations and relates to the Company's ordinary business operations.

We note that a proposal may not be excluded under Rule 14a-8(i)(7) if it is determined to focus on a significant policy issue. The mere fact that a proposal may touch upon a significant policy issue, however, does not preclude exclusion under Rule 14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. *See* 1998 Release; Staff Legal Bulletin No. 14E (Oct. 27, 2009). The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For example, in *PetSmart, Inc.* (Mar. 24, 2011), the proposal requested that the company's board require suppliers to certify that they had not violated certain laws regulating the treatment of animals. Those laws affected a wide array of matters dealing with the company's ordinary business operations beyond the humane treatment of animals, which the Staff has recognized as a significant policy issue. In permitting exclusion under Rule 14a-8(i)(7), the Staff noted the company's view that "the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.'" *See also, e.g., CIGNA Corp.* (Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the potential significant policy issue of access to affordable health care, it also asked CIGNA to report on expense management, an ordinary business matter);

Capital One Financial Corp. (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the significant policy issue of outsourcing, it also asked the company to disclose information about how it manages its workforce, an ordinary business matter).

In this instance, while the Proposal references alleged discriminations based on speech or religious exercise, its overwhelming concern is with the Company's charitable contributions to specific types of organizations, which are ordinary business matters. Therefore, even if the Proposal could be viewed as touching upon a significant policy issue, its focus is squarely on ordinary business matters.

Accordingly, the Proposal should be excluded from the Company's 2025 proxy materials pursuant to Rule 14a-8(i)(7) as relating to its ordinary business operations.

VI. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(3) Because the Proposal Is Impermissibly Vague and Indefinite, so as to Be Materially False and Misleading in Violation of Rule 14a-9.

Under Rule 14a-8(i)(3), a shareholder proposal may be excluded from a company's proxy materials if the proposal or supporting statement is contrary to any of the Commission's proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in a company's proxy materials. *See* Staff Legal Bulletin No. 14B (Sept. 15, 2004) ("SLB 14B"). The Staff has recognized that exclusion is permitted pursuant to Rule 14a-8(i)(3) if "the resolution contained in the proposal is so inherently vague or indefinite that neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." *See* SLB 14B; *see also Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961) ("[I]t appears to us that the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail.").

In accordance with SLB 14B, the Staff consistently has permitted exclusion of shareholder proposals under Rule 14a-8(i)(3) as impermissibly vague and indefinite where the proposal contained an essential term or phrase that, in applying the particular proposal to the company, was unclear, such that neither the company nor shareholders would be able to determine with any reasonable certainty what actions or measures the proposal requires. *See, e.g.*, *Philip Morris Int'l, Inc.* (Jan. 8, 2021)* (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting that the company's "balance sheet be strengthened significantly," where it was unclear how

* Citations marked with an asterisk indicate Staff decisions issued without a letter.

the essential terms "strengthened" and "significantly" would apply to the company's balance sheet); *Cisco Systems, Inc.* (Oct. 7, 2016) (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting that the board "not take any action whose primary purpose is to prevent the effectiveness of shareholder vote without a compelling justification for such action," where it was unclear what board actions would "prevent the effectiveness of [a] shareholder vote" and how the essential terms "primary purpose" and "compelling justification" would apply to board actions); *Pfizer Inc.* (Dec. 22, 2014, *recon. denied* Mar. 10, 2015) (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting that the board adopt a policy that "the Chair of the Board of Directors shall be an independent director who is not a current or former employee of the company, and whose only nontrivial professional, familial or financial connection to the company or its CEO is the directorship," where it was unclear whether the proposal intended to restrict or not restrict stock ownership of directors and any action taken by the company to implement the proposal, such as prohibiting directors from owning nontrivial amounts of company stock, could be significantly different from the actions envisioned by shareholders); *AT&T Inc.* (Feb. 21, 2014) (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting that the board review the company's policies and procedures relating to "directors' moral, ethical and legal fiduciary duties and opportunities" to ensure the protection of privacy rights, where it was unclear how the essential term "moral, ethical and legal fiduciary" applied to the directors' duties and opportunities); *General Dynamics Corp.* (Jan. 10, 2013) (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting a policy that, in the event of a change of control, there would be no acceleration in the vesting of future equity pay to senior executives, "provided that any unvested award may vest on a pro rata basis," where it was unclear how the essential term "pro rata" applied to the company's unvested awards); *The Boeing Co.* (Jan. 28, 2011, *recon. granted* Mar. 2, 2011) (permitting exclusion under Rule 14a-8(i)(3) of a proposal requesting that senior executives relinquish preexisting "executive pay rights," where it was unclear how to apply the essential term "executive pay rights").

In this instance, the Proposal is impermissibly vague and indefinite. The Proposal's resolved clause requests that the Company report on "an analysis of how PayPal's charitable contributions impact its risks related to discrimination against individuals based on their speech or religious exercise." The essential terms in this request — "risks," "individuals" and "based on their speech or religious exercise" — are vague and indefinite, such that the entire resolution of the Proposal is rendered vague and indefinite. Since any Company action or measure in response would require determining which risks to analyze, discrimination against which individuals or groups of individuals and the meaning of discrimination based on speech or

religious exercise, neither the Company nor shareholders would be able to determine with any reasonable certainty what actions or measures the Proposal requires.

For instance, it is unclear exactly what types of risks the Proposal's requested report should address. As a leading technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide, the Company is subject to numerous types of risks, including competition, cybersecurity risks, legal, regulatory and compliance risks, risks associated with business interruptions, reliance on third parties, litigation, intellectual property and brand protection, among other risks described in our periodic filings with the Commission. However, neither the resolution clause nor the supporting statement of the Proposal clearly identifies, or provides guidance on, the types of risks that the Proponent believes the Company faces as a result of its charitable contributions.

Moreover, the Proposal's reference to "individuals" is also vague and undefined, and the supporting statement does not offer any guidance on its interpretation. Instead, the supporting statement vaguely refers to categories of seemingly unrelated groups and individuals, including "mainstream political and religious groups and individuals" that were allegedly targeted by the Southern Poverty Law Center, groups with "mainstream views on parental rights and human sexuality," and customers and employees of certain companies holding "diverse views." Thus, the supporting statement itself references a wide range of groups of individuals without providing guidance on what "individuals" means in the context of the Proposal's request.

In addition, the Proposal also does not provide any guidance on the meaning of discrimination against individuals "based on their speech or religious exercise." In fact, the supporting statement adds more confusion in this regard, since it is not focused on speech or religion but instead references a wide range of disparate topics.

Given these ambiguities, the resolution contained in the Proposal is so inherently vague and indefinite that neither shareholders voting on the Proposal, nor the Company implementing the Proposal (if adopted), would be able to determine with any reasonable certainty what actions or measures the Proposal requires.

Accordingly, consistent with the precedent described above, the Proposal is excludable pursuant to Rule 14a-8(i)(3) on the basis that it is impermissibly vague and indefinite.

VII. Conclusion

Based upon the foregoing analysis, the Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from its 2025 proxy materials. Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of the Company's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7050.

Very truly yours,

Raquel Fox

Enclosures

cc: Brian Y. Yamasaki
Vice President, Corporate Legal and Secretary
PayPal Holdings, Inc.

Stefan Padfield
National Center for Public Policy Research

EXHIBIT A

(see attached)

December 9, 2024

Via email to

Corporate Secretary
PayPal Holdings, Inc.
2211 North First Street
San Jose, California 95131
Attn.: [redacted]

Dear Corporate Secretary,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the PayPal Holdings, Inc. (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as Director of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for at least 3 years prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2025 annual meeting of shareholders. A proof of ownership letter is forthcoming.

Pursuant to interpretations of Rule 14(a)-8 by the Securities & Exchange Commission staff, I initially propose as a time for a recorded meeting in person or via teleconference to discuss this proposal December 23, 2024, or December 24, 2024, from 1 p.m. to 4 p.m. eastern. If that proves inconvenient, I hope you will suggest some other times within the window proposed by Rule 14(a)-8(b)(iii) to talk. Please feel free to contact me at [redacted] so that we can determine the mode and method of that discussion. This letter constitutes notice of our intent to record any related meetings.

As you know, SEC guidance has admonished corporations against seeking no-action "relief" on grounds that could have been resolved by clear and open correspondence between the parties and a good-faith willingness on both sides to reach a mutually satisfactory resolution and to implement whatever revisions may be agreed to. We herewith express our openness to consideration in good faith of any specific objections to this proposal that you might wish to raise, and a commitment to work earnestly toward an acceptable adjustment in all instances in which the objections raised are demonstrably

supported by SEC regulation, staff guidance, or other relevant explications of specific rules governing the situation at hand.

Copies of correspondence or a request for a "no-action" letter should be sent to me at the National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington, DC 20036 and emailed to [redacted].

Sincerely,

Stefan Padfield
Director, Free Enterprise Project
National Center for Public Policy Research

cc: Ethan Peck, FEP Deputy Director
Enclosures: Shareholder Proposal

Report on Charitable Giving

Supporting Statement:

Corporations routinely use their platforms to voice support for humanitarian causes and human rights. Some of the most fundamental are the rights to free speech and religion, which are recognized by the First Amendment to the United States Constitution and the UN Declaration of Human Rights[1]. Unfortunately, many companies are supporting organizations that are undermining these freedoms.

The 2024 edition of the Viewpoint Diversity Score Business found that 62% of scored companies, including PayPal Holdings Inc., support non-profits that are influencing public policy by actively attacking free speech and religious freedom.[2]

Groups like the Southern Poverty Law Center have been criticized across the political spectrum as "a partisan progressive hit operation"[3] more interested in "bludgeon[ing] mainstream politically conservative opponents"[4] than upholding civil rights. It uses its "Hate Map" to target many mainstream political and religious groups and individuals, including Moms for Liberty, the Family Research Center, Ruth Institute, Dr. Ben Carson, and Franklin Graham.[5] It has also used its influence to get social media and tech companies, including PayPal, to adopt acceptable use policies that censor SPLC targets through the Change the Terms campaign.[6]

Similarly, Human Rights Campaign has led coalitions calling on major social media platforms to censor "hate speech and harassment" that includes many mainstream views on parental rights and human sexuality.[7] It has advocated for legislation like the Equality Act, which would pose serious threats to religious freedom, free speech, and the progress women have made toward equality in law and culture.[8] Its Corporate Equality Index requires companies to adopt similar stances, among other

[1] https://www.un.org/en/about-us/universal-declaration-of-human-rights
[2] https://www.viewpointdiversityscore.org/
[3] https://www.politico.com/magazine/story/2017/06/28/morris-dees-splc-trump-southern-poverty-law-center-215312/
[4] https://politi.co/2lsnOxw
[5] https://www.splcenter.org/hate-map
[6] https://www.splcenter.org/news/2018/10/24/splc-announces-policy-recommendations-social-media-internet-companies-fight-hate-online
[7] https://deadline.com/2023/06/glaad-letter-human-rights-campaign-social-media-policies-letter-hate-speech-1235425983/; https://www.hrc.org/press-releases/new-research-hateful-and-abusive-speech-towards-lgbtq-community-surging-on-twitter-under-elon-musk
[8] https://www.heritage.org/religious-liberty/commentary/misguided-fairness-all-act-would-undermine-religious-liberty

policies, and has induced corporations like Anheuser-Busch[9] and Target[10] into marketing decisions that have severely and permanently harmed their brand.

Many companies, including John Deere, Jack Daniels, Harley Davidson, Lowes, Home Depot, Ford, and Coors, have already taken affirmative steps to refocus their charitable giving in a manner that acknowledges the diverse views held by their customers and employees.[11] Many have also explicitly cut ties with the Human Rights Campaign as a part of this effort.

But PayPal has actively supported some of these groups. Until recently, PayPal was listed as a Silver partner to the HRC. HRC listed PayPal as one of the "Equality 100 Award" recipients for its latest corporate equality index.[12] PayPal also prohibits contributions to and non-profit pricing for charities that, in PayPal's determination, promote "hate" or "intolerance."[13] It has already shown an unsettling tendency to rely on the SPLC to interpret these vague terms[14] and has enforced the terms against mainstream conservative and religious views in other contexts.[15]

This discrepancy is especially concerning because PayPal has stated that it is "a strong supporter of freedom of expression and open dialogue."[16] PayPal needs to rebuild trust by increasing transparency around its charitable giving.

Resolved: Shareholders request that PayPal report to shareholders, at reasonable expense and excluding confidential information, an analysis of how PayPal's charitable contributions impact its risks related to discrimination against individuals based on their speech or religious exercise.

[9] https://www.newsweek.com/anheuser-busch-stock-drops-20-percent-bud-light-sales-struggle-1803680
[10] https://nypost.com/2023/05/28/target-loses-10b-following-boycott-calls-over-lgbtq-friendly-clothing/
[11] https://www.dailymail.co.uk/news/article-13812241/american-brand-dei-rules-backlash.html
[12] https://www.hrc.org/resources/cei-equality-100-award
[13] https://www.viewpointdiversityscore.org/company/paypal-holdings
[14] https://www.foxnews.com/tech/conservatives-call-for-paypal-boycott-after-ceo-admits-splc-helps-ban-users
[15] https://www.thefire.org/news/paypal-no-pal-free-expression
[16] https://www.telegraph.co.uk/politics/2022/09/27/paypal-reinstates-free-speech-union-accounts-accused-politically/

Report on Charitable Giving

Supporting Statement:

Corporations routinely use their platforms to voice support for humanitarian causes and human rights. Some of the most fundamental are the rights to free speech and religion, which are recognized by the First Amendment to the United States Constitution and the UN Declaration of Human Rights[1]. Unfortunately, many companies are supporting organizations that are undermining these freedoms.

The 2024 edition of the Viewpoint Diversity Score Business Index found that 62% of scored companies, including PayPal Holdings Inc., support non-profits that are influencing public policy by actively attacking free speech and religious freedom.[2]

Groups like the Southern Poverty Law Center have been criticized across the political spectrum as "a partisan progressive hit operation"[3] more interested in "bludgeon[ing] mainstream politically conservative opponents"[4] than upholding civil rights. It uses its "Hate Map" to target many mainstream political and religious groups and individuals, including Moms for Liberty and Dr. Ben Carson.[5] It has also used its influence to get social media and tech companies, including PayPal, to adopt acceptable use policies that censor SPLC targets.[6]

Similarly, Human Rights Campaign has led coalitions calling on major social media platforms to censor "hate speech and harassment" that includes many mainstream views on parental rights and human sexuality.[7] It has advocated for legislation like the Equality Act, which would pose serious threats to religious freedom, free speech, and the progress women have made toward equality in law and culture.[8] Its Corporate Equality Index requires companies to adopt similar stances, among other policies, and has induced corporations like Anheuser-Busch[9] and Target[10] into marketing decisions that have severely and permanently harmed their brand.

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[1] https://www.un.org/en/about-us/universal-declaration-of-human-rights
[2] https://www.viewpointdiversityscore.org/
[3] https://www.politico.com/magazine/story/2017/06/28/morris-dees-splc-trump-southern-poverty-law-center-215312/
[4] https://politi.co/2lsnOxw
[5] https://www.splcenter.org/hate-map
[6] https://www.splcenter.org/news/2018/10/24/splc-announces-policy-recommendations-social-media-internet-companies-fight-hate-online
[7] https://deadline.com/2023/06/glaad-letter-human-rights-campaign-social-media-policies-letter-hate-speech-1235425983/; https://www.hrc.org/press-releases/new-research-hateful-and-abusive-speech-towards-lgbtq-community-surging-on-twitter-under-elon-musk
[8] https://www.heritage.org/religious-liberty/commentary/misguided-fairness-all-act-would-undermine-religious-liberty
[9] https://www.newsweek.com/anheuser-busch-stock-drops-20-percent-bud-light-sales-struggle-1803680
[10] https://nypost.com/2023/05/28/target-loses-10b-following-boycott-calls-over-lgbtq-friendly-clothing/
[11] https://www.dailymail.co.uk/news/article-13812241/american-brand-dei-rules-backlash.html
[12] https://www.hrc.org/resources/cei-equality-100-award
[13] https://www.viewpointdiversityscore.org/company/paypal-holdings
[14] https://www.foxnews.com/tech/conservatives-call-for-paypal-boycott-after-ceo-admits-splc-helps-ban-users
[15] https://www.thefire.org/news/paypal-no-pal-free-expression
[16] https://www.telegraph.co.uk/politics/2022/09/27/paypal-reinstates-free-speech-union-accounts-accused-politically/