

**BASIC ACCIDENTAL DEATH AND  
DISMEMBERMENT INSURANCE PLAN**

**and**

**SUMMARY PLAN DESCRIPTION**

**Designed specifically  
for employees of**

**PayPal Holdings, Inc.**

Effective: January 1, 2017

Accidental death is unexpected and unfortunately many families may be financially unprepared for this unexpected loss. A serious accidental injury or accidental death of a wage earner can be devastating, even in two-income families. Mortgage payments, rents, child care expenses and day-to-day living costs may all be jeopardized if the money is not there to help provide the financial security employees need.

PayPal Holdings, Inc.'s Basic ADD Accident Plan helps to provide the needed financial security in the event of your accidental death or accidental injury.

While this booklet describes the Basic ADD Accident Plan arranged for your benefit, ***it is not considered as the contract of insurance***. For simplicity, this Plan has been described in a general and brief manner in this booklet. The complete terms of the Basic ADD Accident Plan are set forth in the original Policy issued to PayPal Holdings, Inc. The Plan is underwritten by Gerber Life Insurance Company.

## **TERMS USED IN THE PLAN**

In order to fully understand the extent of your coverage under this Basic ADD Accident Plan, you should be familiar with the following terms.

### Injury

Accidental bodily injury which: (i) is direct and independent of any other cause; and (ii) requires treatment by a licensed physician or surgeon, acting within the scope of his or her license.

### Exposure

Being exposed to the elements following the disappearance, forced landing, stranding, sinking or wrecking of a vehicle. Exposure will be deemed an accidental bodily injury.

### Disappearance

Failure to find the body within one year after the disappearance, forced landing, stranding, sinking or wrecking of a vehicle. Disappearance will be deemed accidental loss of life, provided there has been a judicial determination of death.

### Loss of Use

The complete, total and irrecoverable loss of the use of an arm, leg, hearing, speech or sight.

### Limb

An arm or leg.

### Coma

Being in a state of complete mental unconsciousness without response to stimulation.

### Comatose

Being in a coma.

### Active Work

Performing your regular duties for a full work day for PayPal Holdings, Inc.

### Airworthiness Certificate

The "Standard" Airworthiness Certificate issued by the Federal Aviation Agency of the United States or its foreign equivalent.

### Seat Belt

A properly installed seat belt, lap and shoulder restraint, child restraint or other restraint approved by the National Highway Traffic Safety Administration.

Supplemental Restraint System

An original factory installed air bag designed to inflate on impact for added protection to the head and chest areas.

Licensed Child Care Center

Any state licensed facility, other than a family day care home, which provides non-medical care and supervision for children in a group setting less than 24 hours a day.

Dependent

Your Spouse or Domestic Partner and dependent unmarried children within the specified age limits.

Unmarried

Never having been married.

Spouse

The person to whom you are legally married or your the Domestic Partner.

Children

1. biological or legally-adopted children, as well as children placed with the Insured Person for adoption,
2. step children,
3. children of enrolled Domestic Partners,
4. children for whom the Insured Person is responsible to provide health coverage based on a qualified medical child support order ("QMCSO"), or
5. children for whom the Insured Person has been appointed by a court as legal guardian.

Eligible Children must be unmarried, dependent on the Insured Person for support and maintenance and:

- i) under age 26; or
- ii) any age, if totally disabled as defined below:
  - (1) unmarried; and
  - (2) incapable of self-sustaining employment because of mental or physical incapacity; and
  - (3) chiefly dependent upon the Insured Person for support and maintenance.

Domestic Partner

1. a person who has a domestic partnership or civil union with an Insured Person that is legally established under state law; *or*
2. a same or opposite sex domestic partner of an Insured Person provided they have met all of the following criteria for six (6) months:
  - a. are financially interdependent and are jointly responsible for each other's common welfare;
  - b. intend to remain in a committed relationship;

- c. share the same living quarters and permanent address;
- d. are at least age eighteen (18) and capable of consenting to the domestic partnership;
- e. are not so closely related by blood that a legal marriage would be otherwise prohibited by law; *and*
- f. have not been in a different domestic partner relationship or marriage within the last six (6) months.

#### Base Annual Earnings

Base Annual Earnings means your gross annual rate of pay as determined by PayPal Holdings, Inc., excluding overtime and any other extra pay. For sales personnel, Base Annual Earnings includes commissions and/or bonuses averaged for the most recent 12 month period.

#### **WHAT THE PLAN COVERS**

The Basic Accidental Death and Dismemberment Insurance Plan provides all-risk accident protection against most types of accidents, 24 hours a day, anywhere in the world, whether you are at work or at home, including when you are flying as a passenger (but not as a pilot or crew member) in any civilian aircraft having a current and valid Airworthiness Certificate, except aircraft owned or leased by PayPal Holdings, Inc.

#### **ELIGIBILITY**

If you are an active full-time employee on U.S. payroll, including expatriate employees on U.S. payroll, working at least twenty (20) hours per week, you are eligible for coverage under the Basic AD&D Accident Plan.

#### **WHEN YOUR COVERAGE BEGINS**

You will be covered if you are in an eligible Class and have completed:

- (a) a full day of Active Work on that date; or
- (b) a full day of Active Work on his or her last regularly scheduled work day.

If you do not meet the requirements of (a) or (b) above, your coverage will become effective on the date you return to Active Work.

Active Work means performing your regular duties for a full day for PayPal Holdings, Inc.

Alternatively, if you are eligible under Gerber Life Insurance Company, Policy Number, ADD-2036 as of the Policy Effective Date of this Policy, you will be covered on the Effective Date of this Policy.

#### **WHEN YOUR COVERAGE ENDS**

Your coverage will end on the earlier of:

- (a) the date the Plan ends; or
- (b) the date you are no longer a member of an eligible Class.

## **BENEFIT AMOUNT**

If you did not elect the \$50,000 option prior to January 1, 2006, your Principal Sum is two (2) times your Base Annual Earnings, rounded to the next higher even multiple of \$1,000, if not already an even multiple of \$1,000, subject to a maximum of \$2,000,000.

If you elected the \$50,000 option prior to January 1, 2006, your Principal Sum is \$50,000.

## **BENEFITS**

### Accidental Death and Loss of Use Benefit

Gerber Life Insurance Company will pay a benefit for loss due to Injury caused by an accident to you as shown in the table below. The loss must occur within 365 days after the date of the accident. You must be covered under the Policy on the date of the accident.

Table of Losses:

For Loss of:	
Life .....	The Principal Sum
Sight of Both Eyes .....	100% of The Principal Sum
Speech and Hearing of Both Ears .....	100% of The Principal Sum
Both Hands or Both Feet .....	100% of The Principal Sum
One Hand and One Foot .....	100% of The Principal Sum
Loss of Use of Four Limbs .....	100% of The Principal Sum
Loss of Use of Three Limbs .....	75% of The Principal Sum
Loss of Use of Two Limbs .....	67% of The Principal Sum
Loss of Use of One Limb .....	50% of The Principal Sum
Either Hand or Foot .....	50% of The Principal Sum
Sight of One Eye .....	50% of The Principal Sum
Speech or Hearing of Both Ears .....	50% of The Principal Sum
Hearing of One Ear .....	25% of The Principal Sum
Thumb and Index Finger of Same Hand .....	25% of The Principal Sum
Maximum - All Losses - Any One Accident .....	100% of The Principal Sum

Loss means the:

- (i) complete, total and irrecoverable loss of use of a hand at or above the wrist;
- (ii) complete, total and irrecoverable loss of use of a foot at or above the ankle joint;
- (iii) complete, total and irrecoverable loss of use of a limb at or above the elbow or knee;
- (iv) complete, total and irrecoverable loss of the sight of an eye;
- (v) complete, total and irrecoverable loss of speech;
- (vi) complete, total and irrecoverable loss of hearing; or
- (vii) complete, total and irrecoverable loss of thumb and index finger at or above the knuckles.

### Rehabilitation Benefit

Gerber Life Insurance Company will pay a Rehabilitation Benefit for loss due to Injury caused by an accident to you. The loss must occur within 90 days after the date of the accident. You must be covered under the Policy on the date of the accident.

The Rehabilitation Benefit is equal to 5% of the portion of the Principal Sum for the loss sustained as shown under the Accidental Death and Loss of Use Benefit, subject to a minimum of \$50 and a maximum of \$500 per month and will be paid for up to paid for 3 months.

In order for benefits to be paid, you must be receiving rehabilitation therapy from an accredited therapist as the result of the accident. You must continue to undergo rehabilitation therapy for benefits to be paid.

#### Coma Benefit

If Injury caused by an accident results in you being in a coma for at least 60 consecutive days, Gerber Life Insurance Company will pay a coma benefit to you. You must be covered under the Policy on the date of such accident. The coma must occur within 30 days after the date of such accident. The coma must result from accidental bodily injury which is direct and independent of any other cause.

The coma benefit is equal to 1% of your Principal Sum, subject to a minimum of \$150 and a maximum of \$1,000 per month and will be paid for up to 12 months.

The first coma benefit will be paid on the date the Company receives proof that you are in a coma which:

- (a) resulted from accidental bodily Injury direct and independent of any other cause;
- (b) requires treatment by a licensed physician or surgeon acting within the scope of his or her license;
- (c) requires that you are hospital confined; and
- (d) the coma has lasted for at least 60 consecutive days.

The coma benefit will end when the comatose condition ceases, whether by death, recovery or any other change of such condition.

#### Survivor's Benefit

If, due to Injury caused by an accident, you lose your life as a result of such accident, Gerber Life Insurance Company will pay a survivor's benefit to your surviving Spouse or to each of your surviving Dependent Children, if there is no surviving Spouse. You must be covered under the Policy on the date of such accident.

The loss of life must occur within 365 days after the date of such accident.

The Survivor's Benefit is equal to 5% of your Principal Sum, subject to a minimum of \$100 and a maximum of \$1,000 per month and will be paid for 6 months.

The first benefit will be paid on the date the benefit for accidental loss of life is paid.

#### College Education Benefit

If, due to Injury caused by an accident, you lose your life as a result of such accident, Gerber Life Insurance Company will pay a benefit to each of your Dependent Children. You must be covered under the Policy on the date of such accident. The loss of life must occur within 365 days after the date of such accident.

The benefit is equal to 25% of your Principal Sum, subject to a minimum of \$500 and a maximum of \$7,500 per year and paid for up to 4 consecutive years.

The first benefit will be paid on the later of:

- (i) the date the benefit for accidental loss of life is paid; or
- (ii) the date Gerber Life Insurance Company receives proof that your Dependent Child is attending a licensed or accredited school (beyond the 12th grade level) on a full-time basis.

Additional annual payments will be paid on the date that Gerber Life Insurance Company receives proof that your Dependent Child is attending a licensed or accredited school (beyond the 12th grade level) on a full-time basis.

The benefit shall be paid for each of your Dependent Children who, on the date of such accident, were:

- (i) attending a licensed or accredited school (beyond the 12th grade level) on a full-time basis; or
- (ii) at the 12th grade level and enrolls, within 365 days after the date of such accident, in a licensed or accredited school (beyond the 12th grade level) on a full-time basis.

Your Dependent Child must continue to enroll and attend a licensed or accredited school (beyond the 12th grade level) for the benefit to be paid.

#### Spouse Training Benefit

If, due to Injury caused by an accident, you lose your as a result of such accident, Gerber Life Insurance Company will pay a benefit to your Spouse. You must be covered under the Policy on the date of such accident. The loss of life must occur within 365 days after the date of such accident.

The benefit is equal to 25% of your Principal Sum, subject to a minimum of \$500 and a maximum of \$5,000.

In order for benefits to be paid your Spouse must:

- (i) not be employed in an income producing occupation on the date of such accident;
- (ii) and as a result of such accident, seek full-time employment within 365 days after the date of such accident; and
- (iii) enroll as a full-time student in a school of higher education or vocational training for the purpose of preparing for full-time employment.

The benefit will be paid on the date Gerber Life Insurance Company receives proof that your Spouse is attending a school of higher education or vocational training on a full-time basis.

#### Child Care Center Benefit

If, due to Injury caused by an accident, you lose your life as a result of such accident, Gerber Life Insurance Company will pay a benefit to each of your Dependent Children. You must be covered under the Policy on the date of such accident. The loss of life must occur within 365 days after the date of such accident.

The benefit is equal to 25% of your Principal Sum, subject to a minimum of \$500 and a maximum of \$6,000 per year and paid for up to 4 consecutive years.

The first benefit will be paid on the later of:

- (i) the date the benefit for accidental loss of life is paid; or
- (ii) the date Gerber Life Insurance Company receives proof that your Dependent Child is attending a Licensed Child Care Center on a full-time basis.

Additional annual payments will be paid on the date that Gerber Life Insurance Company receives proof that your Dependent Child is attending a Licensed Child Care Center on a full-time basis.

The benefit shall be paid for each of your Dependent Children who, on the date of such accident, were:

- (i) less than 13 years of age;
- (ii) attending a licensed child care center on a full-time basis; or
- (ii) enrolls, within 365 days after the date of such accident, in a licensed child care center on a full-time basis.

Your Dependent Child must continue to enroll and attend a Licensed Child Care Center on a full-time basis for the benefits to be paid.

#### Accidental Permanent Disfigurement Benefit

Gerber Life Insurance Company will pay a benefit for loss, as defined below, due to an Injury caused by an accident to you as shown below. The loss must occur within 90 days after the date of the accident. You must be covered under the Policy on the date of the accident.

The benefit shall be equal to 50% of that portion of the Principal Sum for the loss sustained, subject to a minimum of \$2,500 and a maximum of \$50,000.

#### Definition

Loss means any permanent disfigurement resulting from accidental bodily Injury which cannot be corrected by cosmetic surgery or by any other reasonable means as established by a competent licensed cosmetic surgeon acting within the scope of his or her license.

#### COBRA Accidental Death Benefit

If, due an Injury caused by an accident, you lose your life, Gerber Life Insurance Company will pay a benefit, as shown below. You must be covered under the Policy on the date of such accident.

This benefit is for the continuation of your medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

In order for the benefit to be paid, you and your Dependents must be enrolled in PayPal. Inc.'s medical plan on the date of the accident.

The benefit will be equal to 2% of your Principal Sum, subject to a minimum of \$500 and a maximum of \$2,000 and paid for 12 months in 2 equal installments.

The first benefit will be paid 6 months after your death. Additional benefits will be paid in 6 month intervals.

In order for benefits to be paid, Gerber Life Insurance must receive proof that this benefit will be used for the continuation of your medical coverage under COBRA.

#### Custodial Care Benefit

If, due to accidental bodily Injury, You are medically confined to a licensed facility providing custodial care on a long term basis, Gerber Life Insurance Company will pay a benefit as shown below. You must be covered under the Plan on the date of the accident.

The confinement must commence within 90 days after the date of the accident.

The benefit will be an amount equal to 2% Your Principal Sum, subject to a minimum of \$250 and a maximum of \$2,000 per month; and payable for 12 months.

Custodial Care means that You are medically confined to a licensed facility operating legally to provide room and board for the injured under the supervision of a licensed nurse, licensed physician or surgeon, acting within the scope of his or her license and meets all of the following:

- (a) is equipped to provide constant care for at least five resident patients on a full-time basis;



- (b) provides services of nurses at all hours;
- (c) has available at all times the services of a licensed physician or surgeon who is on the staff of the facility;
- (d) keeps daily medical records for each patient; and
- (e) is not primarily a place for rest care, a place for the aged, alcoholics or drug addicts or a hotel.

Medically Confined means You are an inpatient in a licensed medical facility, other than a hospital, which is engaged in the medical treatment of the injured.

#### Therapeutic Counseling Benefit

If, due to an Injury caused by an accident, you require Therapeutic Counseling, Gerber Life Insurance Company will pay a benefit of an amount equal to 5% of your Principal Sum, subject to a minimum of \$50 and a maximum of \$500 per month for up to 3 months.

You must be covered under the Policy on the date of the accident.

The Therapeutic Counseling must commence within 90 days after the date of the accident.

In order for benefits to be paid, you must be receiving Therapeutic Counseling from an accredited and state licensed therapist, psychiatrist or psychologist. You must continue to undergo Therapeutic Counseling for benefits to be paid.

Therapeutic Counseling Care means that you are under the care of a licensed physician acting within the scope of his or her license and upon the recommendation of such physician, you are receiving counseling from an accredited and state licensed therapist, psychiatrist or psychologist.

#### Adaptive Home and Vehicle Benefit

If, due to an Injury caused by an accident, you incur expenses for alterations to your principal residence or personal private automobile as a result of such Injury Gerber Life Insurance Company will pay a benefit of an amount equal to 15% of your Principal Sum, subject to a minimum of \$500 and a maximum of \$15,000.

You must be covered under the Policy on the date of the accident.

The alterations to your principal residence or personal private automobile must commence within 90 days after the date of the accident.

Eligible expenses are those expenses required to make alterations to your:

- (i) principal residence accessible to you; or
- (ii) personal private automobile to allow you to operate or ride as a passenger in such automobile.

#### Funeral Expense Benefit

Gerber Life Insurance Company will pay a benefit, as shown below, for loss of life due to Injury caused by an accident to you. The loss must occur within 365 days after the date of the accident. You must be covered under the Policy on the date of the accident.

The benefit will be the lesser of the reasonable burial expenses incurred to inter you or your Dependent or \$5,000. Such expenses include, but are not limited to, embalming, cremation, coffin, gravestone and professional services of a licensed mortician or funeral director.

#### Surgical Reattachment Benefit

Gerber Life Insurance Company will pay a benefit for the reasonable medical expenses, shown below, required to surgically reattach a severed arm, leg, hand or foot due to an Injury caused by

an accident to you. The loss must occur within 30 days after the date of the accident. You must be covered under the Policy on the date of the accident.

You must have suffered a loss due to an Injury caused by an accident as shown in the Table of Losses below.

Items of reasonable medical expense are:

- (1) medical treatment by a licensed physician or surgeon, acting within the scope of his or her license;
- (2) services of a licensed anesthesiologist, acting within the scope of his or her license;
- (3) services of a licensed nurse, acting within the scope of his or her license; and
- (4) hospital confinement.

Table of Losses:

For Loss of:

Both Legs or Both Arms.....	50% of The Principal Sum
Both Hands or Both Feet .....	50% of The Principal Sum
One Arm and One Leg .....	50% of The Principal Sum
One Hand and One Foot .....	50% of The Principal Sum
Either Leg or Arm .....	25% of The Principal Sum
Either Hand or Foot .....	25% of The Principal Sum
Thumb and Index Finger of Same Hand .....	10% of The Principal Sum

Maximum - All Losses - Any One Accident..... 50% of The Principal Sum

Loss shall mean the:

- (i) loss of a leg by total severance at or above the knee;
- (ii) loss of an arm by total severance at or above the elbow;
- (iii) loss of a hand by total severance at or above the wrist;
- (iv) loss of a foot by total severance at or above the ankle joint; or
- (v) complete, total and irrecoverable loss of thumb and index finger at or above the knuckles.

#### Criminal Assault Benefit

Gerber Life Insurance Company will pay an additional benefit of 25% of the applicable Principal Sum, subject to a minimum of \$500 and a maximum of \$25,000, for loss due to Injury caused by an accident to you as a result of a violent criminal act committed by a person or persons.

The act may involve, but is not limited to:

- (1) robbery;
- (2) theft;
- (3) hold-up;
- (4) kidnapping;
- (5) assault and battery;
- (6) rape; or
- (7) murder.

Exclusion

Coverage does not apply to any Injury sustained from your own criminal act or any attempted criminal act.

Private Passenger Automobile Seat Belt Benefit

Gerber Life Insurance Company will pay an additional benefit of 100% of the applicable Principal Sum, subject to a minimum of \$500 and a maximum of \$25,000, for loss due to Injury caused by an accident to you while operating or riding as a passenger in a private passenger automobile provided that you were wearing a properly fastened seat belt at the time of the accident.

You must be covered under the Policy on the date of such accident. The loss must occur within 365 days after the date of such accident.

No benefit is payable if the operator of the automobile was under the influence of alcohol or drugs. Seat Belt usage must be verified by:

- (i) a doctor;
- (ii) a coroner;
- (iii) a police officer; or
- (iv) any other person of competent authority.

Private Passenger Automobile Air Bag Benefit

Gerber Life Insurance Company will pay an additional benefit of 50% of the applicable Principal Sum, subject to a minimum of \$250 and a maximum of \$10,000, for loss due to Injury caused by an accident to you while operating or riding as a passenger in a private passenger automobile provided you were wearing a properly fastened seat belt at the time of the accident and were positioned in a seat protected by a properly functioning original factory installed Supplemental Restraint System that deploys on impact.

You must be covered under the Policy on the date of such accident. The loss must occur within 365 days after the date of such accident.

No benefit is payable if the operator of the automobile was under the influence of alcohol or drugs.

Seat Belt and Supplemental Restraint System usage must be verified by:

- (i) a doctor;
- (ii) a coroner;
- (iii) a police officer; or
- (iv) any other person of competent authority.

Conversion Benefit

If your coverage under the Policy ceases because: (a) employment ceases; or (b) membership in the eligible class ceases, you may apply for a conversion policy providing Accidental Death or Accidental Death and Dismemberment Insurance for which you were covered under the Policy.

The policy can be on any form then in use by the Company.

The converted policy will be limited to the lesser of: (a) the amount of Principal Sum you had under this Plan; or (b) \$250,000.

The premium for the policy will be based on: (a) age; (b) class of risk; and (c) form and amount of policy.

You (i) apply for the policy; and (ii) pay the first premium for the conversion policy, within 31 days after the Policy ceases.

If issued, the Policy will go into effect on the later of: (i) the day following the date coverage under the Policy ceases; or (ii) the date Company receives the conversion application and premium payment.

No medical exam will be required.

## **PAYMENT OF BENEFITS**

Any benefit for loss of life will be paid as follows:

- (a) to the beneficiary or beneficiaries designated in writing by you, otherwise;
- (b) to your widow or widower, if surviving you, otherwise;
- (c) to your surviving child or children in equal shares, otherwise;
- (d) to your parents in equal shares or the surviving parent, otherwise;
- (e) to your surviving brothers and sisters in equal shares or the survivors of them, otherwise;
- (f) to your estate.

All other benefits will be paid to you, otherwise to your estate.

Payment of loss for Benefits under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

## **THE PLAN'S EXCLUSIONS**

Benefits are not paid for any loss caused by or resulting from:

- (a) suicide or self-inflicted injury; whether sane or not;
- (b) bacterial infection, except those which occur with a cut or wound at the time of the accident;
- (c) any kind of disease;
- (d) medical or surgical treatment (except surgical treatment required by the accident);
- (e) war or any act of war in the following areas: (1) United States of America; and (2) your country of domicile.
- (f) injury sustained while riding as a pilot or crew member of any aircraft;
- (g) injury sustained while in any of the armed forces, except temporary domestic National Guard or Reserve duty for less than 30 days;
- (h) injury sustained while riding in, boarding or alighting from any aircraft owned or leased by PayPal Holdings, Inc.;
- (i) voluntarily taking any drug, chemical or controlled substance, unless taken as prescribed by a licensed physician;
- (j) committing or attempting to commit a felony; and
- (k) operating any vehicle with a blood alcohol level greater than the legal limit.

SECTION XI - THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)  
STATEMENT OF RIGHTS AND INFORMATION

**How to File a Claim**

If you should suffer a loss covered by the Policy, either you or your beneficiary should contact the Plan Administrator to obtain claim forms. Read the instructions on these forms carefully. Be sure that all the questions are answered. Remember to include any required attachments when you return the completed forms. After your claim has been processed by Gerber Life Insurance Company or its designated claims administrator, you will be notified in writing if any additional information is required, or if any benefits are denied in whole or in part.

**Responsibilities of the ERISA Fiduciaries**

1. The Plan Administrator

The Plan Administrator administers the Plan.

2. The Claims Administrator

Gerber Life Insurance Company ("Gerber") is the claims administrator. Gerber may designate another entity to serve as claims administrator. Gerber and its designated claims administrator administer benefits in accordance with the terms of the Policy and the Plan. Gerber and its designated claims administrator have the full discretionary authority to interpret the terms and provisions of the Plan and the Policy, and to determine all questions relating to Plan benefits, including but not limited to eligibility for such benefits. Any interpretation or determination made by Gerber or its designated claims administrator pursuant to such discretionary authority shall be given full force and effect, and shall be conclusive and binding on all parties; unless it can be shown that the determination was arbitrary and capricious.

**Your Right to Appeal**

If you have any questions about a claim payment, call or write to: Gerber Life Insurance Company c/o A.C. Newman & Company, 7060 North Marks Avenue, Suite 108, Fresno, CA 93711-0269; Phone: (559) 252-2525; Fax: (559) 252-1515. A.C. Newman & Company ("Newman") is Gerber's designated claim administrator. If your claim has been denied in whole or in part and you do not agree and want to appeal, you must write, within 60 days, to Gerber at such address. Your appeal will be reviewed by Gerber or Newman, and a final decision will be made by a person different from the person who made the initial determination and such person will not be the original decision maker's subordinate. The party hearing the appeal (either Gerber or Newman) has full discretionary authority to interpret the terms and provisions of the Plan and the Policy and to determine eligibility for benefits. Any interpretation or determination made by such party pursuant to such discretionary authority shall be given full force and effect, and shall be conclusive and binding on all parties, unless it can be shown that the determination was arbitrary and capricious. You will be notified of the final decision within 60 days after the date of your appeal, unless there are special circumstances in which case you will be notified within 120 days.

**Name of Plan**

Group Accident Plan for employees of PayPal Holdings, Inc.

**Plan Sponsor**

PayPal Holdings, Inc.  
2211 North 1<sup>st</sup> Street  
San Jose, California 95131

**Plan Administrator**

PayPal Holdings, Inc.  
2211 North 1st Street  
San Jose, California 95131

**Plan Identification**

Employer Identification Number: 77-0510487  
Plan Number: 501

**Type of Administration**

Contract administration. All benefits provided by Policy Number ADD-123708 issued to the Plan Sponsor by Gerber Life Insurance Company. You may inspect the Plan and the annual report filed with the U.S. Department of Labor at the Corporate Office of PayPal Holdings, Inc. or your local personnel office. Upon written request, copies can be obtained at a reasonable cost.

**Funding**

All payments to support the Plan are made by PayPal Holdings, Inc.

**End of Plan Year**

December 31<sup>st</sup>.

**Designated Agent for Service of Legal Process**

Legal process may be made upon the Plan Administrator at the address above.

**Your ERISA Rights**

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

- 1) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- 2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.
- 3) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

The right is reserved in the Plan for the Plan Sponsor to terminate, suspend, withdraw, amend or modify the Plan, covering any active employee, or current retiree or future retiree, in whole or in part at any time. Any such change or termination in benefits: (i) will be based solely on the decision of the Plan Sponsor; and (ii) may apply to all active employees, current retirees or future retirees, as either separate groups or as one group. This is subject to the applicable provisions of the Plan.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **IMPORTANT NOTICE REGARDING THE OFFICE OF FOREIGN ASSETS CONTROL**

Your rights as a policyholder and payments to you, any insured or claimant, for loss under the policy may be affected by the administration and enforcement of U.S. economic embargoes and trade sanctions by the OFFICE OF FOREIGN ASSETS CONTROL (“OFAC”).

### **WHAT IS OFAC?**

OFAC is an office of the Department of the Treasury and acts under the presidential national emergency powers, as well as authority granted by specific legislation, to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC administers and enforces economic embargoes and trade sanctions primarily against:

- Targeted foreign countries and their agents
- Terrorism sponsoring agencies and organizations
- International narcotics traffickers

### **PROHIBITED ACTIVITY**

- OFAC enforces certain embargoes and sanctions against certain designated countries. No U.S. business or persons may enter into certain transactions in or connected to such designated “sanctioned” countries.
- OFAC maintains a directory known as the “Specially Designated Nationals and Blocked Persons” (“SDNBP”) list. No U.S. business or person may transact business with any person or entity named on the SDNBP list.

Additional and more in-depth information on OFAC is available at the following website:

<http://www.ustreas.gov/offices/eotffc/ofac>.

### **OBLIGATIONS PLACED ON US BY OFAC**

If we determine that you, any insured or claimant are on the SDNBP list or are connected to a sanctioned country as described in the regulations enforced by OFAC, we must block or “freeze” property and payment of any funds transfers or transactions and report all blocks to OFAC within ten (10) days.

### **POTENTIAL ACTIONS BY US**

1. We may immediately cancel your coverage effective on the day that we determine that we have transacted business with an individual or entity associated with your policy on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.
2. If we cancel your coverage, you will not receive a return premium unless approved by OFAC. All funds will be placed in an interest bearing blocked account established on the books of a U.S. financial institution.
3. We will not pay a claim, accept premium or exchange monies or assets of any kind to or with individuals, entities or companies (including a bank) on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC. And, we will not defend or provide any other benefits under your policy to individuals, entities or companies on the SDNBP list or connected to a sanctioned country as described in the regulations enforced by OFAC.

### **YOUR RIGHTS AS A POLICYHOLDER**

If funds are blocked or frozen by us in conjunction with the OFFICE OF FOREIGN ASSETS CONTROL, you may complete an “APPLICATION FOR THE RELEASE OF BLOCKED FUNDS” and apply for a specific license to request their release. Forms are available for download at the OFAC website. See <http://www.treas.gov/offices/enforcement/ofac/forms/license.pdf>.



**CALIFORNIA LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT  
SUMMARY DOCUMENT AND DISCLAIMER**

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting well managed and financially stable insurers.

**The California Life and Health Insurance Guarantee Association may not provide coverage for this insurance. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.**

**Coverage is NOT provided for your insurance or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.**

**Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.**

**Policyholders with additional questions, should first contact their insurer or agent or may then may contact:**

**California Life and Health  
Insurance Guarantee Association  
P.O. Box 17319  
Beverly Hills, California 90209-3319  
Los Angeles, California 90013  
(323) 782-0182**

**or  
Consumer Service Division  
California Department of  
Insurance  
300 South Spring Street  
(800) 927-4357 or  
(213) 897-8921**

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

## **COVERAGE**

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are not protected by this Guarantee Association if:

- \* Their insurer was not authorized to do business in this state when it issued the policy or contract;
- \* Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- \* They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- \* Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- \* Employer and association plans, to the extent they are self-funded or uninsured;
- \* Synthetic guaranteed interest contracts;
- \* Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- \* Any policy of reinsurance unless an assumption certificate was issued;
- \* Interest rate yields that exceed an average rate; and
- \* Any portion of a contract that provides dividends or experience rating credits.

**LIMITS ON AMOUNT OF COVERAGE** The Act limits the Association to pay benefits as follows:

## **LIFE AND ANNUITY BENEFITS**

- 80% of what the life insurance company would owe under a life policy or annuity contract up to \$100,000 in cash surrender values,
- \$100,000 in present value of annuities, or
- \$250,000 in life insurance death benefits.
- A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

## **HEALTH BENEFITS**

- A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

## **PREMIUM SURCHARGE**

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.

## **NOTICE**

**Benefits paid under the Accelerated Benefits provision will reduce the Death Benefit Payable of life insurance.**

**Benefits payable under the Accelerated Benefits provision may be taxable. If so, the Employee or the Employee's beneficiary may incur a tax obligation. As with all tax matters, an Employee should consult with a personal tax advisor to assess the impact of this benefit. Accelerated Benefits are not payable if life insurance coverage under the Policy is not in force.**

**SPECIAL COMPLAINT NOTICE FOR CALIFORNIA POLICY HOLDERS**

To obtain information or to make further inquiries regarding this Contract, You may call our toll-free number 1-800-253-3074. You may write to the Company at our Home office address: Gerber Life Insurance Company, 1311 Mamaroneck Ave, White Plains, New York 10605. If you are not satisfied after contacting the Company, you may contact the California Department of Insurance, Consumer Services Division, 300 South Spring Street, Los Angeles, California 90013: Telephone Number 1-800-927-4357 (Toll free from within California) and (213) 897-8921 (calling from outside California).