Triodos Investment Management

eBAY INC.

Meeting Date:	Tue, 13 May 2014 8:00am	**Type:**	AGM	**Issue date:**	Fri, 02 May 2014
Meeting Location:	Town Square, 2161 North First Street, San Jose, California 95131				
Current Indices:	S&P500				
Sector:	Internet Software & Services				

	PROPOSALS	ADVICE
1a	**Elect Fred D. Anderson** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Withhold**
1b	**Elect Edward W. Barnholt** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Withhold**
1c	**Elect Scott D. Cook** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Withhold**
1d	**Elect John J. Donahoe** President and Chief Executive Officer.	**For**
2	**Advisory vote on executive compensation** The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BDB (for 2013 it was also BDB) Disclosure rating: B Balance rating: D - Share awards and Restricted Stock Units provide for vesting in equal instalments over four years. There is also a concern the total CEO pay for 2012 had reached USD 29.7 million for 2012, but for 2013 it has fallen to USD 13,833,374 according to the DEF 14A disclosure. This is potentially excessive, especially as EPS fell from USD 2.46 in 2011 to USD 1.99 in 2012. Contracts rating: B - In the event of a change in control of eBay, equity awards granted to non-employee directors will accelerate and become fully vested. The Compensation Committee can accelerate the vesting of any Award in connection with or following a Change in Control. Based upon concerns over potentially excessive remuneration levels and the ability to accelerate awards upon a change in control, Triodos does not support this resolution. Note: The 2013 'say-on-pay vote' received an oppose vote of approximately 39.9%.	**Oppose**

3 **To approve the amendment and restatement of the 2008 Equity Incentive Award Plan** **Oppose**

The Board is submitting the amended and restated 2008 Equity Incentive Award Plan (Plan) for shareholder approval. The 2008 Plan is a result of the company's intention to reduce the number of plans it administers to two, one for stock options and the other for full-value equity grants. The purposes of amending and restating the 2008 Plan are to: increase the number of shares available for future issuance under the 2008 Plan by an additional 21.6 million shares and, to discontinue future grants under the GSI Commerce, Inc. 2010 Equity Incentive Plan; and extend the term of the 2008 Plan until 2018. The maximum number of shares of common stock that may be subject to one or more awards granted to any one participant pursuant to the Plan during any calendar year is 1 million and the maximum amount that may be paid in cash during any calendar year with respect to any performance-based award is $3,000,000. The Plan provides for the grant of stock options, both incentive stock options and nonqualified stock options, restricted stock, RSUs, stock appreciation rights, performance shares, performance stock units, dividend equivalents, stock payments, deferred stock units, other stock-based awards, and performance-based awards to eligible individuals.

There are concerns with the Plan as: there are no performance conditions attached to awards; the Compensation Committee has discretion to allocate the awards which could be potentially excessive; stock options and restricted shares granted during the last fiscal year are not subject to performance hurdles, the targets attached to restricted stock units are insufficiently challenging; and the increase represents approximately 1.7% of the 1,267,040,790 shares of common stock outstanding on March 18, 2014, which is potentially excessive for a Plan which historically seeks additional shares every year or two.

It is considered that the Plan allows the compensation committee too much discretion to determine the size, type and term of awards. Performance targets, for awards granted under the plan that are performance based, are not disclosed which prevents shareholder assessment whether future payouts will be commensurate with performance. Based on these concerns, Triodos does not support this resolution.

4 **Appoint the auditors** **For**

PricewaterhouseCoopers LLP proposed. The non-audit fees are approximately 20.6% of audit and audit related fees during the year under review and less than 18.4% on average over a three-year period. Acceptable proposal.

5 **Shareholder Resolution: Stockholder action by written consent without a meeting, if properly presented before the meeting.** **Oppose**

Proposed by: John Chevedden

The proponents seeks shareholder approval for the Board to undertake such steps as may be necessary to permit written consent by shareholders entitled to cast the minimum number of votes that would be necessary to authorize the action at a meeting at which all shareholders entitled to vote thereon were present and voting. The proponent argues that Taking action by written consent in lieu of a meeting is a means shareholders can use to raise important matters outside the normal annual meeting cycle. The board opposes this proposal stating that in much smaller corporations, the flexibility to act by written consent may be useful. However, it serves little, if any, purpose in a company of this size.

While the sanctioning of communication in writing with Directors as an option for shareholders when seeking to protect their interests in the Company might constitute an improvement in shareholder rights, Triodos does not support this resolution.

6	**Shareholder Resolution: Engage an investment banking firm to effectuate a spin-off of our Payments segment (referred to as PayPal) into a separately traded company** Proposed by: High River Limited Partnership, c/o Icahn Associates Corp. on behalf of itself and Icahn Partners LP and Icahn Partners Master Fund LP The proponents request shareholder approval for the The Icahn Proposal which is that: "...the Board of Directors and management act expeditiously, consistent with effective tax consideration, to engage an investment banking firm to effectuate a spin-off of eBay's Payments segment into a separately traded public company." The Board states that is has carefully considered the proposal and has unanimously agreed that spinning off the Payments segment (PayPal) into a separately traded public company would not be in the best interests of eBay or its stockholders. The directors further note that their decision making and growth history has been maximizing stockholder returns and that eBay's stock price has increased 440% in the past five years, significantly outpacing both the S&P 500 (up 153%) and NASDAQ Composite (up 213%). However it is not clear that the proponents proposal provides certainty of any better returns than those already provided. It is viewed that the subject of this proposal, to divest Paypal, is within the sphere of management responsibilities and that the decision should be left within managements' purview. Triodos does not support this resolution. Note: The Icahn Proposal will be voted on at the 2014 Annual Meeting only if properly presented by or on behalf of the Icahn Group. Approval of this precatory proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy. **** = Special resolution***	**Oppose**

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