


MEETING DATE	Fri, 01 May 2015 8:00 am	TYPE	AGM	ISSUE DATE	Wed, 22 Apr 2015
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. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the audit committee which is not fully independent which Triodos does not support.	Oppose
1b	Elect Anthony J. Bates Independent Non-Executive Director.	For
1c	Elect Edward W. Barnholt Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	Oppose
1d	Elect Jonathan Christodoro Non-Executive Director. Not considered independent as Mr Christodoro was appointed to the Board pursuant to a nomination and standstill agreement between eBay and the Icahn Group. There is insufficient independent representation on the board.	Oppose
1e	Elect Scott D. Cook Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1f	Elect John J. Donahoe CEO	For
1g	Elect David W. Dorman Non-Executive Director. Not considered independent as Mr Dorman was appointed to the Board pursuant to an agreement between eBay and the Icahn Group. There is insufficient independent representation on the board.	Oppose
1h	Elect Bonnie S. Hammer Independent Non-Executive Director.	For
1i	Elect Gail J. McGovern Independent Non-Executive Director.	For
1j	Elect Kathleen C. Mitic Independent Non-Executive Director.	For
1k	Elect David M. Moffett Independent Lead Director.	For
1l	Elect Pierre M. Omidyar Non-Executive Chairman. Not considered independent owing to a tenure of over nine years. It is considered best practice for the Chairman to be independent. There is insufficient independent representation on the board.	Oppose
1m	Elect Thomas J. Tierney Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1n	Elect Perry M. Traquina Independent Non-Executive Director.	For

- | | | |
|-----------|---|---------------|
| 1o | Elect Frank D. Yeary
Independent Non-Executive Director. | For |
| 2 | Advisory vote on executive compensation
The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. 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: BEB.
As time-based restricted stock units have no performance criteria and stock options begin vesting one year from date of grant, Triodos opposes this resolution | Oppose |
| 3 | Approve the material terms, including the performance goals, of the amendment and restatement of the eBay Incentive Plan
The board is seeking shareholder approval of the material terms, including the performance goals, of the amendment and restatement of the eBay Incentive Plan.
The Plan has been amended and restated in 2015 to incorporate an amendment previously approved by the compensation committee which allows eBay to clawback or recoup any amounts paid under the Plan as necessary for compliance with any Company policy or as required by law. The material terms, including the performance goals, of the amended and restated Plan are being submitted to stockholders in 2015 so that payments to certain executive officers under the Plan will continue to be deductible by eBay for federal income tax purposes.
All active regular full-time and part-time employees who are notified by the committee are eligible to participate in the Plan. The Plan contains special provisions for designating additional eligible employees (e.g., new hires) for participation in the Plan. Performance measures are based on one or more of several types of performance criteria such as stock price, multiples of price-to-earnings and price-to-earnings to growth, return criteria, employee productivity, customer satisfaction metrics. There are concerns that the compensation committee may condition the payment of an incentive award upon the satisfaction of such objective or subjective standards as it deems appropriate.
As the compensation committee can exercise discretion over the final payout, and no specific performance targets have been set in the Plan, Triodos does not support this resolution. | Oppose |
| 4 | Appoint the auditors
PricewaterhouseCoopers LLP proposed. Non-audit fees represented 25.30% of audit fees during the year under review and 21.27% on a three-year aggregate basis. This level of non-audit fee raises concerns about the independence of the statutory auditors. In addition, the current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution. | Oppose |

5 Shareholder Resolution: Regarding Stockholder action by written consent without a meeting **Oppose**

Proposed by: John Chevedden

Shareholders request that the board of directors 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. This written consent is to be consistent with applicable law and consistent with giving shareholders the fullest power to act by written consent consistent with applicable law. This includes shareholder ability to initiate any topic for written consent consistent with applicable law.

The proponent argues that a shareholder right to act by written consent and to call a special meeting are two complimentary ways to bring an important matter to the attention of both management and shareholders outside the annual meeting cycle. This is important because there could be 15-months between annual meetings. A shareholder right to act by written consent is one method to equalize our limited provisions for shareholders to call a special meeting. For instance 25% of eBay shareholders are now needed to call a special meeting when Delaware law allows 10% of shareholders.

The board believes that eBay's stockholders are best served by holding meetings whereby all stockholders are provided with notice of the meeting and an opportunity to consider and discuss the proposed actions and vote their shares. The board also argues that adoption of this proposal would make it possible for the holders of a bare majority of shares of eBay common stock outstanding to take significant corporate action without any prior notice to the Company or the other eBay stockholders, and without giving all stockholders an opportunity to consider, discuss, and vote on stockholder actions that may have important ramifications for both eBay and its stockholders.

While it is considered that the Board should remain accountable to its shareholders, regardless of the method of communication chosen, there are concerns that using written consent could lead to minority shareholders losing the ability to have their say on matters affecting the Company. Triodos opposes this resolution.

6 Shareholder Resolution: Proxy Access

For

Proposed by: The Comptroller of the City of New York

Shareholders of eBay Inc. ask the board of directors to adopt, and present for shareholder approval, a "proxy access" bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement of any person nominated for election to the board by a shareholder or group that meets established criteria. The Company shall allow shareholders to vote on such nominee on the Company's proxy card. The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must: (i) have beneficially owned 3% or more of the Company's outstanding common stock continuously for at least three years before submitting the nomination; (ii) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about the nominee, including consent to being named in the proxy materials and to serving as director if elected; and the Nominator, including proof it owns the required shares and certify that it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement. The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee.

The board states that the Company is not opposed to proxy access in principle, but believes that an appropriate framework for proxy access should be specifically tailored to enhance the rights of significant, long-term stockholders without unduly risking the costs and distractions associated with encouraging unnecessary contests in director elections. In addition, eBay's board believes that the appropriate process for implementing new proxy access rights as a permanent feature of eBay's corporate governance should be a deliberate and measured one, involving consultation with stockholders, a review of marketplace developments, and consideration of unintended consequences.

The move would strengthen shareholder democracy, which is supported, and it is considered that the proposal would help to increase independent representation on the Board which currently is insufficient. Furthermore, the requested threshold for holding requirement for nominators is considered reasonable. In addition, in light of the major governance concerns with director compensation, lack of Board independence and poor compensation package rating, the nomination of new Board members would facilitate greater independence in the oversight of the company. Triodos supports this resolution.

7 Shareholder Resolution: Regarding Gender Pay

For

Proposed by: Arjuna Capital/Baldwin Brothers Inc.

Shareholders request eBay prepare a report by September 2015, omitting proprietary information and prepared at reasonable cost, on the Company's policies and goals to reduce the gender pay gap. A report adequate for investors to assess eBay's strategy and performance would include the percentage pay gap between male and female employees, policies to improve performance, and quantitative reduction targets.

The board's statement in opposition argues that while the Company is committed to fostering all types of diversity, increasing the number of women in leadership roles, in particular, has been a long-standing focus for the Company. In 2010, eBay Inc. President and CEO John Donahoe launched the Women's Initiative Network (WIN). The mission of WIN is to attract and engage women to build lasting, successful careers in the Company. Through WIN, the Company has more than doubled the number of women in leadership roles and increased the share of leadership positions held by women.

It is considered that the report requested by the proponent is reasonable and would underpin the Company's efforts in fostering diversity and thereby enhancing its reputation. Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory vote on executive compensation

Disclosure: B - There is no disclosure of NEO pension entitlements as of the end of the fiscal year.

Balance: E - The Compensation Committee exercises discretion when deciding on final payouts. The Company awards performance based restricted stock units, which have two year performance periods. The Company also grants time-based (ie without performance targets) stock options, which start vesting on the first anniversary of the grant.

Contract: B - There is no disclosure of potential NEO severance and change in control awards.

For Private Circulation only

©Copyright 2015 PIRC Ltd

Researcher: Sika Coovi
Email: pircresearch@pirc.co.uk

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.



Pensions & Investment Research Consultants Limited
6th Floor
9 Prescott Street
London E1 8AZ

Tel: 020 7247 2323
Fax: 020 7247 2457
<http://www.pirc.co.uk>

Regulated by the Financial Conduct Authority