

HONEYCUTT MILBURN E
Form 4
October 15, 2018

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HONEYCUTT MILBURN E

2. Issuer Name and Ticker or Trading Symbol
POWELL INDUSTRIES INC
[POWL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
8550 MOSLEY ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/01/2018

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President, Corp Controlle

HOUSTON, TX 77075

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	10/01/2018	10/01/2018	D		734 D 34.92 \$ <u>(1)</u>	21,881 <u>(2)</u>	D
Common Stock	10/01/2018	10/01/2018	A		2,100 <u>(3)</u> A \$ 0	23,981 <u>(2)</u>	D
Common Stock						399	I 401(k) Shares

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

2020	1,000
2021	750
2022	1,750
Thereafter	4,250
Total future maturities	\$
	10,050

Note 12 – Commitments and Contingencies

Commitments

Lease Arrangements

We have lease obligations under certain non-cancelable operating leases. Future minimum rental payments under our non-cancelable operating leases as of December 31, 2017 are as follows (in millions):

	Leases
2018	\$ 68
2019	73
2020	62
2021	36
2022	25
Thereafter	47
Total minimum lease payments	\$ 311

Rent expense for the years ended December 31, 2017, 2016 and 2015 totaled \$105 million, \$84 million and \$79 million, respectively.

Off-Balance Sheet Arrangements

As of December 31, 2017, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our consolidated financial condition, results of operations, liquidity, capital expenditures or capital resources.

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eBay Inc.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

We have a cash pooling arrangement with a financial institution for cash management purposes. This arrangement allows for cash withdrawals from the financial institution based upon our aggregate operating cash balances held within the same financial institution (“Aggregate Cash Deposits”). This arrangement also allows us to withdraw amounts exceeding the Aggregate Cash Deposits up to an agreed-upon limit. The net balance of the withdrawals and the Aggregate Cash Deposits are used by the financial institution as a basis for calculating our net interest expense or income under the arrangement. As of December 31, 2017, we had a total of \$1.9 billion in cash withdrawals offsetting our \$2.1 billion in Aggregate Cash Deposits held within the financial institution under the cash pooling arrangement.

Litigation and Other Legal Matters***Overview***

We are involved in legal and regulatory proceedings on an ongoing basis. Many of these proceedings are in early stages and may seek an indeterminate amount of damages. If we believe that a loss arising from such matters is probable and can be reasonably estimated, we accrue the estimated liability in our financial statements. If only a range of estimated losses can be determined, we accrue an amount within the range that, in our judgment, reflects the most likely outcome; if none of the estimates within that range is a better estimate than any other amount, we accrue the low end of the range. For those proceedings in which an unfavorable outcome is reasonably possible but not probable, we have disclosed an estimate of the reasonably possible loss or range of losses or we have concluded that an estimate of the reasonably possible loss or range arising directly from the proceeding (i.e., monetary damages or amounts paid in judgment or settlement) are not material. If we cannot estimate the probable or reasonably possible loss or range of losses arising from a proceeding, we have disclosed that fact. In assessing the materiality of a proceeding, we evaluate, among other factors, the amount of monetary damages claimed, as well as the potential impact of non-monetary remedies sought by plaintiffs (e.g., injunctive relief) that may require us to change our business practices in a manner that could have a material adverse impact on our business. With respect to the matters disclosed in this Note 12, we are unable to estimate the possible loss or range of losses that could potentially result from the application of such non-monetary remedies.

Amounts accrued for legal and regulatory proceedings for which we believe a loss is probable were not material for the twelve months ended December 31, 2017. Except as otherwise noted for the proceedings described in this Note 12, we have concluded, based on currently available information, that reasonably possible losses arising directly from the proceedings (i.e., monetary damages or amounts paid in judgment or settlement) in excess of our recorded accruals are also not material. However, legal and regulatory proceedings are inherently unpredictable and subject to significant uncertainties. If one or more matters were resolved against us in a reporting period for amounts in excess of management’s expectations, the impact on our operating results or financial condition for that reporting period could be material.

General Matters

Other third parties have from time to time claimed, and others may claim in the future, that we have infringed their intellectual property rights. We are subject to patent disputes, and expect that we will increasingly be subject to additional patent infringement claims involving various aspects of our business as our products and services continue to expand in scope and complexity. Such claims may be brought directly or indirectly against our companies and/or against our customers (who may be entitled to contractual indemnification under their contracts with us), and we are subject to increased exposure to such

claims as a result of our acquisitions and divestitures and in cases where we are entering new lines of business. We have in the past been forced to litigate such claims. We may also become more vulnerable to third-party claims as laws such as the Digital Millennium Copyright Act, the Lanham Act and the Communications Decency Act are interpreted by the courts, and as we expand the scope of our business (both in terms of the range of products and services that we offer and our geographical operations) and become subject to laws in jurisdictions where the underlying laws with respect to the potential liability of online intermediaries like ourselves are either unclear or less favorable. We believe that additional lawsuits alleging that we have violated patent, copyright or trademark laws will be filed against us. Intellectual property claims, whether meritorious or not, are time consuming and costly to defend and resolve, could require expensive changes in our methods of doing business or could require us to enter into costly royalty or licensing agreements on unfavorable terms.

From time to time, we are involved in other disputes or regulatory inquiries that arise in the ordinary course of business, including suits by our users (individually or as class actions) alleging, among other things, improper disclosure of our prices, rules or policies, that our practices, prices, rules, policies or customer/user agreements violate applicable

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eBay Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

law or that we have acted unfairly and/or not acted in conformity with such prices, rules, policies or agreements. Further, the number and significance of these disputes and inquiries are increasing as the political and regulatory landscape changes and, as we have grown larger, our businesses have expanded in scope (both in terms of the range of products and services that we offer and our geographical operations) and our products and services have increased in complexity. Any claims or regulatory actions against us, whether meritorious or not, could be time consuming, result in costly litigation, damage awards (including statutory damages for certain causes of action in certain jurisdictions), injunctive relief or increased costs of doing business through adverse judgment or settlement, require us to change our business practices in expensive ways, require significant amounts of management time, result in the diversion of significant operational resources or otherwise harm our business.

Indemnification Provisions

We entered into a separation and distribution agreement and various other agreements with PayPal to govern the separation and relationship of the two companies going forward. These agreements provide for specific indemnity and liability obligations and could lead to disputes between us and PayPal, which may be significant. In addition, the indemnity rights we have against PayPal under the agreements may not be sufficient to protect us and our indemnity obligations to PayPal may be significant.

In addition, we have entered into indemnification agreements with each of our directors, executive officers and certain other officers. These agreements require us to indemnify such individuals, to the fullest extent permitted by Delaware law, for certain liabilities to which they may become subject as a result of their affiliation with us.

In the ordinary course of business, we have included limited indemnification provisions in certain of our agreements with parties with which we have commercial relations, including our standard marketing, promotions and application-programming-interface license agreements. Under these contracts, we generally indemnify, hold harmless and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party in connection with claims by a third party with respect to our domain names, trademarks, logos and other branding elements to the extent that such marks are applicable to our performance under the subject agreement. In certain cases, we have agreed to provide indemnification for intellectual property infringement. It is not possible to determine the maximum potential loss under these indemnification provisions due to our limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, losses recorded in our consolidated statement of income in connection with our indemnification provisions have not been significant, either individually or collectively.

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eBay Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**Note 13 – Stockholders' Equity*****Preferred Stock***

We are authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series; to establish the number of shares included within each series; to fix the rights, preferences and privileges of the shares of each wholly unissued series and any related qualifications, limitations or restrictions; and to increase or decrease the number of shares of any series (but not below the number of shares of a series then outstanding) without any further vote or action by our stockholders. As of December 31, 2017 and 2016, there were 10 million shares of \$0.001 par value preferred stock authorized for issuance, and no shares issued or outstanding.

Common Stock

Our Amended and Restated Certificate of Incorporation authorizes us to issue 3.6 billion shares of common stock.

Stock Repurchase Programs

Our stock repurchase programs are intended to programmatically offset the impact of dilution from our equity compensation programs and, subject to market conditions and other factors, to make opportunistic repurchases of our common stock to reduce our outstanding share count. Any share repurchases under our stock repurchase programs may be made through open market transactions, block trades, privately negotiated transactions (including accelerated share repurchase transactions) or other means at times and in such amounts as management deems appropriate and will be funded from our working capital or other financing alternatives. Our stock repurchase programs may be limited or terminated at any time without prior notice. The timing and actual number of shares repurchased will depend on a variety of factors, including corporate and regulatory requirements, price and other market conditions and management's determination as to the appropriate use of our cash.

In July 2016, our Board authorized a \$2.5 billion stock repurchase program and in July 2017 our Board authorized an additional \$3.0 billion stock repurchase program. These stock repurchase programs have no expiration from the date of authorization. The stock repurchase activity under our stock repurchase programs during 2017 was as follows (in millions, except per share amounts):

	Shares Repurchased (1)	Average Price per Share (2)	Value of Shares Repurchased (2)	Remaining Amount Authorized
Balance as of January 1, 2017				\$ 1,336
Authorization of additional plan in July 2017				3,000
Repurchase of shares of common stock	75	\$ 35.61	\$ 2,685	(2,685)
Balance as of December 31, 2017				\$ 1,651

(1) These repurchased shares of common stock were recorded as treasury stock and were accounted for under the cost method. No repurchased shares of common stock have been retired.

(2) Excludes broker commissions.

Explanation of Responses:

In January 2018, our board of directors authorized an additional \$6.0 billion stock repurchase program, with no expiration from the date of authorization.

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eBay Inc.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)****Note 14 – Employee Benefit Plans*****Equity Incentive Plans***

We have equity incentive plans under which we grant equity awards, including stock options, restricted stock units (“RSUs”), performance-based restricted stock units (“PBRsUs”), stock payment awards and performance share units, to our directors, officers and employees. As of December 31, 2017, 755 million shares were authorized under our equity incentive plans and 76 million shares were available for future grant.

Stock options granted under these plans generally vest 12.5% six months from the date of grant (or 25% one year from the date of grant for grants to new employees) with the remainder vesting at a rate of 2.08% per month thereafter, and generally expire seven to ten years from the date of grant. RSU awards granted to eligible employees under our equity incentive plans generally vest in annual or quarterly installments over a period of three to five years, are subject to the employees’ continuing service to us and do not have an expiration date.

In 2017, 2016 and 2015, certain executives were eligible to receive PBRsU. PBRsU awards are subject to performance and time-based vesting requirements. The target number of shares subject to the PBRsU award are adjusted based on our business performance measured against the performance goals approved by the Compensation Committee at the beginning of the performance period. Generally, if the performance criteria is satisfied, one-half of the award vests in March following the end of the performance period and the other half of the award vests in March of the following year.

Deferred Stock Units

Prior to December 31, 2016, we granted deferred stock units to each non-employee director (other than Mr. Omidyar) at the time of our annual meeting of stockholders and to new non-employee directors upon their election to the Board. Each deferred stock unit award granted to a new non-employee director upon election to the Board vests 25% one year from the date of grant, and at a rate of 2.08% per month thereafter. In addition, directors were permitted to elect to receive, in lieu of annual retainer and committee chair fees and at the time these fees would otherwise be payable, fully vested deferred stock units with an initial value equal to the amount based on the fair market value of common stock at the date of grant. Following termination of a non-employee director’s service on the Board of Directors, deferred stock units granted prior to August 1, 2013 are payable in stock or cash (at our election), while deferred stock units granted on or after August 1, 2013 are payable solely in stock. As of December 31, 2017, there were approximately 259,632 deferred stock units outstanding, which are included in our restricted stock unit activity below. As of December 31, 2016, we no longer grant deferred stock units.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan (“ESPP”) for all eligible employees. Under the plan, shares of our common stock may be purchased over an offering period with a maximum duration of two years at 85% of the lower of the fair market value on the first day of the applicable offering period or on the last day of the six-month purchase period. Employees may purchase shares having a value not exceeding 10% of their eligible compensation during an offering period. During 2017, 2016, and 2015, employees purchased approximately 4 million, 4 million and 4 million shares under this plan at average prices of \$22.32, \$18.97

Explanation of Responses:

and \$30.83 per share, respectively. As of December 31, 2017, approximately 16 million shares of common stock were reserved for future issuance.

Stock Option Activity

No stock options were granted in 2017 and an immaterial amount of stock options were granted during 2016 and 2015. The weighted average grant-date fair value of options granted during 2016 and 2015 was \$5.40 and \$6.84, respectively.

During 2017, 2016 and 2015, the aggregate intrinsic value of options exercised under our equity incentive plans was \$26 million, \$16 million and \$130 million, respectively, determined as of the date of option exercise. As of December 31, 2017, we had options to purchase 3 million shares of our common stock outstanding and in-the-money.

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eBay Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)***Restricted Stock Unit Activity***

The following table presents RSU activity (including PBRsUs that have been earned) under our equity incentive plans as of and for the year ended December 31, 2017 (in millions except per share amounts):

	Units	Weighted Average Grant-Date Fair Value (per share)
Outstanding as of January 1, 2017	44	\$ 24.00
Awarded and assumed	23	\$ 33.97
Vested	(18)	\$ 25.28
Forfeited	(7)	\$ 26.16
Outstanding as of December 31, 2017	42	\$ 28.54
Expected to vest as of December 31, 2017	35	

During 2017, 2016 and 2015, the aggregate intrinsic value of RSUs vested under our equity incentive plans was \$635 million, \$418 million and \$697 million, respectively.

Stock-Based Compensation Expense

The following table presents stock-based compensation expense for the years ended December 31, 2017, 2016 and 2015 (in millions):

	Year Ended December 31,		
	2017	2016	2015
Cost of net revenues	\$53	\$34	\$38
Sales and marketing	94	95	94
Product development	178	158	108
General and administrative	158	129	139
Total stock-based compensation expense	\$483	\$416	\$379
Capitalized in product development	\$14	\$13	\$13

As of December 31, 2017, there was approximately \$831 million of unearned stock-based compensation that will be expensed from 2018 through 2021. If there are any modifications or cancellations of the underlying unvested awards, we may be required to accelerate, increase or cancel all or a portion of the remaining unearned stock-based compensation expense. Future unearned stock-based compensation will increase to the extent we grant additional equity awards, change the mix of grants between stock options and restricted stock units or assume unvested equity awards in connection with acquisitions.

Modifications of Stock-Based Awards

During 2015, in connection with the Distribution, restricted and deferred stock awards and employee stock option awards were modified and converted into new equity awards using conversion ratios designed to preserve the value of these awards to the holders immediately prior to the Distribution. On July 17, 2015, employees holding stock options, restricted stock awards or units, deferred stock awards, and ESPP awards denominated in pre-Distribution eBay stock received a number of otherwise-similar awards in

post-Distribution eBay stock and/or PayPal stock based on the conversion ratios outlined for each group of employees in the Employee Matters Agreement that we entered into in connection with the Distribution. Adjustments to our outstanding stock based compensation awards, including ESPP awards, resulted in additional compensation expense of approximately \$68 million to be recognized over the remaining vesting life of the underlying awards.

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eBay Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)***Employee Savings Plans***

We have a defined contribution plan, which is qualified under Section 401(k) of the Internal Revenue Code. Participating employees may contribute up to 50% of their eligible compensation, but not more than statutory limits. In 2017, 2016 and 2015, we contributed one dollar for each dollar a participant contributed, with a maximum contribution of 4% of each employee's eligible compensation, subject to a maximum employer contribution of \$10,800, \$10,600 and \$10,600 per employee for each period, respectively. Our non-U.S. employees are covered by various other savings plans. Total expense for these plans was \$57 million, \$49 million and \$51 million in 2017, 2016 and 2015, respectively.

Note 15 – Income Taxes

The components of pretax income for the years ended December 31, 2017, 2016 and 2015 are as follows (in millions):

	Year Ended December 31,		
	2017	2016	2015
United States	\$418	\$1,529	\$396
International	1,858	2,122	2,010
	\$2,276	\$3,651	\$2,406

The provision (benefit) for income taxes is comprised of the following (in millions):

	Year Ended December 31,		
	2017	2016	2015
Current:			
Federal	\$1,426	\$689	\$363
State and local (17)	55	22	
Foreign	150	178	106
	\$1,559	\$922	\$491
Deferred:			
Federal	\$1,788	\$77	\$(53)
State and local 4	—	(2)	
Foreign	(63)	(4,633)	23
	1,729	(4,556)	(32)
	\$3,288	\$(3,634)	\$459

The following is a reconciliation of the difference between the actual provision for income taxes and the provision computed by applying the federal statutory rate of 35% for 2017, 2016 and 2015 to income before income taxes (in millions):

	Year Ended December 31,		
	2017	2016	2015
Provision at statutory rate	\$797	\$1,278	\$843
Foreign income taxed at different rates	(217)	(451)	(549)
Other taxes on foreign operation	330	105	150
Stock-based compensation	(33)	24	23
State taxes, net of federal benefit	(13)	55	20
Research and other tax credits	(35)	(16)	(27)
Tax basis step-up resulting from realignment	(695)	(4,621)	—
U.S. tax reform	3,142	—	—

Explanation of Responses:

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Other	12	(8)	(1)
	\$3,288	\$(3,634)		\$459	

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eBay Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to be reversed. Significant deferred tax assets and liabilities consist of the following (in millions):

	As of December 31,	
	2017	2016
Deferred tax assets:		
Net operating loss, capital loss and credits	\$86	\$78
Accruals and allowances	129	222
Stock-based compensation	40	65
Amortizable tax basis in intangibles	5,164	4,621
Net deferred tax assets	5,419	4,986
Valuation allowance	(19)	(37)
	\$5,400	\$4,949
Deferred tax liabilities:		
Unremitted foreign earnings	\$(3,514)	\$(1,578)
Acquisition-related intangibles	(24)	(29)
Depreciation and amortization	(89)	(158)
Available-for-sale securities	(4)	(29)
	(3,631)	(1,794)
	\$1,769	\$3,155

As of December 31, 2017, our federal, state and foreign net operating loss carryforwards for income tax purposes were approximately \$15 million, \$58 million and \$106 million, respectively. The federal and state net operating loss carryforwards are subject to various limitations under Section 382 of the Internal Revenue Code and applicable state tax laws. If not utilized, the federal and state net operating loss carryforwards will both begin to expire in 2018. The carryforward periods on our foreign net operating loss carryforwards are as follows: \$32 million do not expire, \$16 million are subject to valuation allowance and begin to expire in 2019, and \$58 million are not subject to valuation allowance but will begin to expire in 2024. As of December 31, 2017, state tax credit carryforwards for income tax purposes were approximately \$106 million. Most of the state tax credits carry forward indefinitely.

As of December 31, 2017 and 2016, we maintained a valuation allowance with respect to certain of our deferred tax assets relating primarily to operating losses in certain non-U.S. jurisdictions that we believe are not likely to be realized.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act” or “U.S. tax reform”) was enacted. U.S. tax reform, among other things, reduces the U.S. federal income tax rate to 21% from 35% in 2018, institutes a dividends received deduction for foreign earnings with a related tax for the deemed repatriation of unremitted foreign earnings and creates a new U.S. minimum tax on earnings of foreign subsidiaries. We have not completed our accounting for the effects of the Act; however, we have made a reasonable estimate of those effects. Accordingly, we have recognized a provisional income tax charge of \$3.1 billion, which is included as a component of the income tax provision on our consolidated statement of income.

Included in the provisional amount is \$1.4 billion for the income tax on the deemed repatriation of unremitted foreign earnings. We have computed the amount based on information available to us; however, there is still uncertainty as to the application of the Act, in particular as it relates to state income taxes.

Explanation of Responses:

Further, we have not yet completed our analysis of the components of the computation, including the amount of our foreign earnings subject to U.S. income tax, and the portion of our foreign earnings held in cash or other specified assets. We will elect to pay the liability for the deemed repatriation of foreign earnings in installments, as specified by the Act. Accordingly, as of December 31, 2017, \$1.2 billion of our liability for deemed repatriation of foreign earnings was included in other liabilities on our consolidated balance sheet.

The remaining provisional amount of \$1.7 billion is for the deferred income tax effects of the Act on our U.S. and foreign subsidiaries, primarily the impact of the new U.S. minimum tax on earnings of foreign subsidiaries, partially

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eBay Inc.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

offset by the reversal of our existing deferred tax liability associated with repatriation of unremitted foreign earnings. In addition, the provisional amount includes the remeasurement of certain U.S. deferred tax assets and liabilities, foreign withholding taxes and other outside basis differences. We have computed the amount based on information available to us, including our expectation that existing foreign basis differences will affect the amount of U.S. minimum tax upon reversal; however, there is still uncertainty as to the application of the Act. We have not yet completed our analysis of the components of the tax computation, including a complete reconciliation of the book and tax bases in our foreign subsidiaries. As we complete our analysis of U.S. tax reform in 2018, we may make adjustments to the provisional amounts, which may materially impact our provision for income taxes from continuing operations in the period in which the adjustments are made.

During the fourth quarter of 2016, we began the process of realigning our legal structure, subsequent to the distribution of PayPal Holdings, Inc., to better reflect how we manage and operate our platforms. We consider many factors in effecting this realignment, including foreign exchange exposures, long-term cash flows and cash needs of our platforms, capital allocation considerations and the associated tax effects. As a result, we achieved a substantial step-up in the tax basis of the intangible assets in our foreign eBay platforms in 2016. The step-up in tax basis of our foreign eBay platforms resulted from our election to terminate an existing tax ruling and finalize a new agreement with the foreign tax authority. In the fourth quarter of 2016, we recognized a tax benefit of \$4.6 billion, which represented the income tax effect of this step-up in tax basis. During the first half of 2017, we recognized a noncash income tax charge of \$376 million caused by the foreign exchange remeasurement of the associated deferred tax asset. In the first quarter of 2017, we achieved a step-up in the tax basis of the intangible assets in our foreign Classifieds platforms as a result of voluntary domiciling our Classifieds intangible assets into a new jurisdiction and recognized a tax benefit of \$695 million.

As a result of the realignment, we no longer benefit from tax rulings previously concluded in several different jurisdictions. Without the benefit of the rulings, the noncash tax impacts of the realignment in our foreign eBay and Classifieds platforms have increased our income tax rate in certain foreign jurisdictions, most significantly Switzerland. The higher rate results from eBay being subject to a higher enacted tax rate for the foreseeable future.

While we experienced a higher tax rate, the realignment allows us to achieve certain foreign cash tax benefits due to the step-up in tax basis achieved in certain foreign jurisdictions. We expect these cash tax benefits to remain consistent, subject to the performance of our foreign platforms, for a period in excess of 10 years. The realignment is expected to extend into 2018 and primarily impact our international entities. However, U.S. tax reform and the new U.S. minimum tax on foreign earnings will reduce our expected consolidated cash tax benefits.

The following table reflects changes in unrecognized tax benefits for the years ended December 31, 2017, 2016 and 2015 (in millions):

	2017	2016	2015
Gross amounts of unrecognized tax benefits as of the beginning of the period	\$ 458	\$ 440	\$ 367
Increases related to prior period tax positions	37	24	36
Decreases related to prior period tax positions	(28)	(20)	(8)
Increases related to current period tax positions	58	47	51
Settlements	(38)	(33)	(6)
Gross amounts of unrecognized tax benefits as of the end of the period	\$ 487	\$ 458	\$ 440

Explanation of Responses:

Included within our gross amounts of unrecognized tax benefits of \$487 million as of December 31, 2017 is \$100 million of unrecognized tax benefits indemnified by PayPal. If the remaining balance of unrecognized tax benefits were realized in a future period, it would result in a tax benefit of \$420 million. Of this amount, approximately \$95 million of unrecognized tax benefit is indemnified by PayPal and a corresponding receivable would be reduced upon a future realization. As of December 31, 2017, our liabilities for unrecognized tax benefits were included in other liabilities on our consolidated balance sheet.

We recognize interest and/or penalties related to uncertain tax positions in income tax expense. In 2017, \$3 million was included in tax expense for interest and penalties. The amount of interest and penalties accrued as of December 31, 2017 and 2016 was approximately \$43 million and \$54 million, respectively.

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eBay Inc.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

We are subject to both direct and indirect taxation in the U.S. and various states and foreign jurisdictions. We are under examination by certain tax authorities for the 2008 to 2013 tax years. We believe that adequate amounts have been reserved for any adjustments that may ultimately result from these or other examinations. The material jurisdictions where we are subject to potential examination by tax authorities for tax years after 2007 include, among others, the U.S. (Federal and California), Germany, Korea, Israel, Switzerland, United Kingdom and Canada.

Although the timing of the resolution and/or closure of audits is highly uncertain, it is reasonably possible that the balance of gross unrecognized tax benefits could significantly change in the next 12 months. However, given the number of years remaining subject to examination and the number of matters being examined, we are unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits.

On July 27, 2015, in *Altera Corp. v. Commissioner*, the U.S. Tax Court issued an opinion invalidating the regulations relating to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. A final decision was issued by the Tax Court in December 2015. The IRS is appealing the decision and filed its arguments opposing the Tax Court decision in June 2016. Due to the uncertainty surrounding the status of the current regulations, questions related to the scope of potential benefits or obligations, and the risk of the Tax Court's decision being overturned upon appeal, we have not recorded any benefit or expense as of December 31, 2017. We will continue to monitor ongoing developments and potential impacts to our consolidated financial statements.

Note 16 – Interest and Other, Net

The components of interest and other, net for the years ended December 31, 2017, 2016 and 2015 are as follows (in millions):

	Year Ended December		
	31,		
	2017	2016	2015
Interest income	\$177	\$125	\$97
Interest expense	(292)	(225)	(144)
Gains on investments and sale of business ⁽¹⁾	115	1,343	268
Other	11	83	(12)
Total interest and other, net	\$11	\$1,326	\$209

⁽¹⁾ Gains on investments and sale of business include a \$167 million gain on disposal of our eBay India business in 2017 and \$1.3 billion of pre-tax gains recognized from the sale of our equity holdings of MercadoLibre, Inc. in 2016.

Note 17 – Accumulated Other Comprehensive Income

The following tables summarize the changes in accumulated balances of other comprehensive income for the years ended December 31, 2017 and 2016 (in millions):

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains on Investments	Foreign Currency Translation	Estimated Tax (Expense) Benefit	Total
Balance as of December 31, 2016	\$ 54	\$ 51	\$ (230)	\$ 1	\$(124)
Other comprehensive income (loss) before reclassifications	(104)	(59)	978	40	855
Less: Amount of gain (loss) reclassified from AOCI	7	7	—	—	14
Net current period other comprehensive income (loss)	(111)	(66)	978	40	841
Balance as of December 31, 2017	\$ (57)	\$ (15)	\$ 748	\$ 41	\$ 717

	Unrealized Gains (Losses) on Derivative Instruments	Unrealized Gains on Investments	Foreign Currency Translation	Estimated Tax (Expense) Benefit	Total
Balance as of December 31, 2015	\$ 36	\$ 845	\$ (45)	\$ (310)	\$ 526
Other comprehensive income before reclassifications	126	505	(185)	(170)	276
Less: Amount of gain (loss) reclassified from AOCI	108	1,299	—	(481)	926
Net current period other comprehensive income	18	(794)	(185)	311	(650)
Balance as of December 31, 2016	\$ 54	\$ 51	\$ (230)	\$ 1	\$(124)

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The following table presents reclassifications out of AOCI for the years ended December 31, 2017 and 2016 (in millions):

Details about AOCI Components	Affected Line Item in the Statement of Income	Amount of Gain (Loss) Reclassified from AOCI	
		2017	2016
Gains (losses) on cash flow hedges - foreign exchange contracts	Net Revenues	\$(28)	\$—
	Cost of net revenues	3	4
	Sales and marketing	1	—
	Product development	5	2
	General and administrative	2	1
	Interest and other, net	24	101
	Total, from continuing operations before income taxes	7	108
	Income tax provision	—	—
	Total, from continuing operations net of income taxes	7	108
	Total, from discontinued operations net of income taxes	—	—
	Total, net of income taxes	7	108
Unrealized gains (losses) on investments	Interest and other, net	7	1,299
	Total, before income taxes	7	1,299
	Income tax provision	—	(481)
	Total, net of income taxes	7	818
Total reclassifications for the period	Total, net of income taxes	\$ 14	\$926

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Supplementary Data — Quarterly Financial Data — Unaudited

The following tables present certain unaudited consolidated quarterly financial information for each of the eight quarters in the two year period ended December 31, 2017. This quarterly information has been prepared on the same basis as the Consolidated Financial Statements and includes all adjustments necessary to state fairly the information for the periods presented.

Quarterly Financial Data**(Unaudited, in millions, except per share amounts)**

	Quarter Ended			
	March 31	June 30	September 30	December 31
2017				
Net revenues	\$2,217	\$2,328	\$ 2,409	\$ 2,613
Gross profit	\$1,702	\$1,767	\$ 1,853	\$ 2,023
Income from continuing operations	\$1,035	\$27	\$ 523	\$ (2,597)
Income (loss) from discontinued operations, net of income taxes	—	—	—	(4)
Net income (loss)	\$1,035	\$27	\$ 523	\$ (2,601)
Income (loss) per share - basic:				
Continuing operations	\$0.96	\$0.03	\$ 0.49	\$ (2.51)
Discontinued operations	—	—	—	—
Net income (loss) per share - basic	\$0.96	\$0.03	\$ 0.49	\$ (2.51)
Income (loss) per share - diluted:				
Continuing operations	\$0.94	\$0.02	\$ 0.48	\$ (2.51)
Discontinued operations	—	—	—	—
Net income (loss) per share - diluted	\$0.94	\$0.02	\$ 0.48	\$ (2.51)
Weighted-average shares:				
Basic	1,083	1,076	1,062	1,035
Diluted	1,102	1,091	1,078	1,035

	Quarter Ended			
	March 31	June 30	September 30	December 31
2016				
Net revenues	\$2,137	\$2,230	\$ 2,217	\$ 2,395
Gross profit	\$1,660	\$1,737	\$ 1,719	\$ 1,856
Income (loss) from continuing operations	\$482	\$437	\$ 418	\$ 5,948
Income from discontinued operations, net of income taxes	—	(2)	(5)	(12)
Net income	\$482	\$435	\$ 413	\$ 5,936
Income per share - basic:				
Continuing operations	\$0.42	\$0.38	\$ 0.37	\$ 5.38
Discontinued operations	—	—	—	(0.01)
Net income (loss) per share - basic	\$0.42	\$0.38	\$ 0.37	\$ 5.37
Income (loss) per share - diluted:				
Continuing operations	\$0.41	\$0.38	\$ 0.36	\$ 5.31
Discontinued operations	—	—	—	(0.01)
Net income (loss) per share - diluted	\$0.41	\$0.38	\$ 0.36	\$ 5.30
Weighted-average shares:				
Basic	1,159	1,144	1,126	1,106
Diluted	1,170	1,149	1,139	1,119

eBay Inc.**FINANCIAL STATEMENT SCHEDULE**

The Financial Statement Schedule II — VALUATION AND QUALIFYING ACCOUNTS as of and for the years ended December 31, 2017, 2016 and 2015, is filed as part of this Annual Report on Form 10-K.

	Balance at Beginning of Period (In millions)	Charged/Credited to Net Income	Charged to Other Account	Charges Utilized/Write-offs	Balance at End of Period
Allowances for Doubtful Accounts and Authorized Credits					
Year Ended December 31, 2015	\$86	\$ 66	\$ —	\$ (68)) \$ 84
Year Ended December 31, 2016	84	68	—	(71)) 81
Year Ended December 31, 2017	\$81	\$ 91	\$ —	\$ (70)) \$ 102
Allowance for Transaction Losses					
Year Ended December 31, 2015	\$27	\$ 205	\$ —	\$ (198)) \$ 34
Year Ended December 31, 2016	34	162	—	(173)) 23
Year Ended December 31, 2017	\$23	\$ 181	\$ —	\$ (179)) \$ 25
Tax Valuation Allowance					
Year Ended December 31, 2015	\$25	\$ 19	\$ (3)) \$ —	\$ 41
Year Ended December 31, 2016	41	(6)) 2	—	37
Year Ended December 31, 2017	\$37	\$ (20)) \$ 2	\$ —	\$ 19

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INDEX TO EXHIBITS

No.	Exhibit Description	Filed with this 10-K	Incorporated by Form File No.	Reference Date Filed
2.01	<u>Separation and Distribution Agreement by and between Registrant and PayPal Holdings, Inc. dated as of June 26, 2015.</u>	8-K	000-24821	6/30/2015
3.01	<u>Registrant's Amended and Restated Certificate of Incorporation.</u>	8-K	000-24821	4/27/2012
3.02	<u>Registrant's Amended and Restated Bylaws.</u>	8-K	001-37713	3/18/2016
4.01	<u>Form of Specimen Certificate for Registrant's Common Stock.</u>	S-1	333-59097	8/19/1998
4.02	<u>Indenture dated as of October 28, 2010 between Registrant and Wells Fargo Bank, National Association, as trustee.</u>	8-K	000-24821	10/28/2010
4.03	<u>Supplemental Indenture dated as of October 28, 2010 between Registrant and Wells Fargo Bank, National Association, as trustee.</u>	8-K	000-24821	10/28/2010
4.04	<u>Form of 3.250% Note due 2020.</u>	8-K	000-24821	10/28/2010
4.05	<u>Forms of 1.350% Note due 2017, 2.600% Note due 2022 and 4.000% Note due 2042.</u>	8-K	000-24821	7/24/2012
4.06	<u>Indenture dated as of July 2, 2007 between GSI Commerce, Inc. and The Bank of New York, as trustee (filed as Exhibit 4.2 to GSI Commerce, Inc.'s Current Report on Form 8-K filed with the Commission on July 5, 2007 and incorporated herein by reference).</u>			
4.07	<u>First Supplemental Indenture dated as of June 17, 2011 to the Indenture dated as of July 2, 2007 between GSI Commerce, Inc. and The Bank of New York Mellon, as trustee (filed as Exhibit 10.1 to GSI Commerce, Inc.'s Current Report on Form 8-K filed with the Commission on June 17, 2011 and incorporated herein by reference).</u>			
4.08	<u>Forms of Floating Rate Note due 2017, Floating Rate Note due 2019, 2.200% Note due 2019, 2.875% Note due 2021 and 3.450% Note due 2024.</u>	8-K	000-24821	7/28/2014
4.09	<u>Form of 6.00% Note due 2056.</u>	8-K	000-24821	2/29/2016
4.10	<u>Forms of 2.500% Note due 2018 and 3.800% Note due 2022.</u>	8-K	001-37713	3/9/2016
4.11	<u>Officers' Certificate dated June 6, 2017.</u>	8-K	001-37713	6/6/2017
4.12	<u>Form of Floating Rate Note due 2023 (included in Exhibit 4.11).</u>	8-K	001-37713	6/6/2017
4.13	<u>Form of 2.150% Note due 2020 (included in Exhibit 4.11).</u>	8-K	001-37713	6/6/2017
4.14	<u>Form of 2.750% Note due 2023 (included in Exhibit 4.11).</u>	8-K	001-37713	6/6/2017
4.15	<u>Form of 3.600% Note due 2027 (included in Exhibit 4.11).</u>	8-K	001-37713	6/6/2017

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10.01+	<u>Form of Indemnity Agreement entered into by Registrant with each of its directors and executive officers.</u>	S-1	333-59097	7/15/1998
10.02+	<u>Registrant's Amended and Restated 1998 Employee Stock Purchase Plan.</u>	10-Q	000-24821	7/27/2007
10.03+	<u>Registrant's 1999 Global Equity Incentive Plan, as amended.</u>	10-Q	000-24821	7/27/2007
10.04+	<u>Form of Stock Option Agreement under Registrant's 1999 Global Equity Incentive Plan.</u>	10-Q	000-24821	10/27/2004
10.05+	<u>Form of Restricted Stock Unit Agreement under Registrant's 1999 Global Equity Incentive Plan.</u>	10-K	000-24821	2/28/2007

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No.	Exhibit Description	Incorporated by Reference		
		Filed with this 10-K Form	File No.	Date Filed
10.06+	<u>Registrant's 2001 Equity Incentive Plan, as amended.</u>	10-K	000-24821	2/28/2007
10.07+	<u>Form of Stock Option Agreement under Registrant's 2001 Equity Incentive Plan.</u>	10-Q	000-24821	10/27/2004
10.08+	<u>Registrant's 2003 Deferred Stock Unit Plan, as amended.</u>	10-K	000-24821	2/28/2007
10.09+	<u>Amendment to Registrant's 2003 Deferred Stock Unit Plan, effective April 2, 2012.</u>	10-Q	000-24821	7/19/2012
10.10+	<u>Form of Director Award Agreement under Registrant's 2003 Deferred Stock Unit Plan.</u>	10-Q	000-24821	7/19/2012
10.11+	<u>Form of Electing Director Award Agreement under Registrant's 2003 Deferred Stock Unit Plan.</u>	10-Q	000-24821	7/19/2012
10.12+	<u>Form of New Director Award Agreement under Registrant's 2003 Deferred Stock Unit Plan.</u>	10-Q	000-24821	7/19/2012
10.13+	<u>Form of 2003 Deferred Stock Unit Plan Restricted Stock Unit Grant Notice and Agreement.</u>	10-Q/A	000-24821	4/24/2008
10.14+	<u>Registrant's 2008 Equity Incentive Award Plan, as amended and restated.</u>	8-K	001-37713	4/27/2016
10.15+	<u>Amendment to the Registrant's 2001 Equity Incentive Plan and Registrant's 1999 Global Equity Incentive Plan.</u>	10-Q	000-24821	7/29/2009
10.16+	<u>Form of Restricted Stock Unit Award Agreement (and Performance-Based Restricted Stock Unit Agreement) under Registrant's 2003 Deferred Stock Unit Plan, Registrant's 2008 Equity Incentive Award Plan and GSI Commerce, Inc. 2010 Equity Incentive Plan.</u>	10-Q	000-24821	7/19/2012
10.17+	<u>Form of Restricted Stock Unit Award Agreement (with Modified Vesting) under Registrant's 2008 Equity Incentive Award Plan.</u>	10-Q	000-24821	7/19/2012
10.18+	<u>Form of Stock Option Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>	10-Q	000-24821	7/19/2012
10.19+	<u>Form of Stock Option Agreement (with Modified Vesting) under Registrant's 2008 Equity Incentive Award Plan.</u>	10-Q	000-24821	7/19/2012
10.20+	<u>Form of Performance Share Unit Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>	10-Q	000-24821	7/19/2012
10.21+	<u>Form of Director Deferred Stock Unit Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>	10-Q	000-24821	7/19/2012
10.22+	<u>Form of Restricted Stock Unit Agreement (and Performance-Based Restricted Stock Unit Agreement) under Registrant's 2008 Equity Incentive Award Plan.</u>	8-K	000-24821	6/25/2008
10.23+	<u>Amended and Restated eBay Incentive Plan.</u>	8-K	000-24821	5/5/2015

Explanation of Responses:

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10.24+	<u>Amendment to eBay Incentive Plan, effective April 2, 2012.</u>	10-Q	000-24821	7/19/2012
10.25+	<u>eBay Inc. Deferred Compensation Plan.</u>	8-K	000-24821	12/20/2007
10.26+	<u>GSI Commerce, Inc. 2010 Equity Incentive Plan (filed as Appendix A to GSI Commerce, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the Commission on April 13, 2010 and incorporated herein by reference).</u>			
10.27+	<u>Amendment to GSI Commerce, Inc. 2010 Equity Incentive Plan, effective April 2, 2012.</u>	10-Q	000-24821	7/19/2012
10.28+	<u>Form of Restricted Stock Unit Award Agreement under GSI Commerce, Inc. 2012 Equity Incentive Plan.</u>	10-Q	000-24821	7/19/2012

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No.	Exhibit Description	Filed with this 10-K	Incorporated by Form	Reference File No.	Date Filed
10.29+	<u>GSI Commerce, Inc. Leadership Team Incentive Plan (Filed as Appendix B to GSI Commerce, Inc.'s Definitive Proxy Statement on Schedule 14A filed with the Commission on April 25, 2008 and incorporated herein by reference).</u>				
10.30+	<u>Amendment to GSI Commerce, Inc. Leadership Team Incentive Plan, effective April 2, 2012.</u>		10-Q	000-24821	7/19/2012
10.31+	<u>Form of Restricted Stock Unit Agreement (and Performance-Based Restricted Stock Unit Agreement) under GSI Commerce, Inc. 2010 Equity Incentive Plan, as amended.</u>		10-Q	000-24821	7/22/2011
10.32+	<u>eBay Inc. Employee Stock Purchase Plan.</u>		DEF 14A	000-24821	3/19/2012
10.33+	<u>Offer Letter dated August 30, 2011 and executed on September 2, 2011 between Registrant and Devin Wenig.</u>		8-K	000-24821	9/6/2011
10.34	<u>Credit Agreement, dated as of November 9, 2015, by and among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto.</u>		8-K	000-24821	11/12/2015
10.35+	<u>Form of New Director Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	4/19/2013
10.36+	<u>Form of Director Annual Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	4/19/2013
10.37+	<u>Form of Electing Director Quarterly Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	4/19/2013
10.38+	<u>Form of Performance Share Unit Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	4/19/2013
10.39+	<u>Form of Global Stock Option Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	7/18/2014
10.40+	<u>Form of Global Restricted Stock Unit Agreement (and Performance-Based Restricted Stock Unit Agreement) under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	000-24821	7/18/2014
10.41+	<u>Form of Performance Based Restricted Stock Unit Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	001-37713	4/27/2016
10.42+	<u>Form of Stock Payment Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	001-37713	7/21/2016
10.43+	<u>Form of Director Restricted Stock Unit Award Agreement under Registrant's 2008 Equity Incentive Award Plan.</u>		10-Q	001-37713	7/21/2016
10.44+	<u>Letter Agreement dated September 29, 2014 between Registrant and Devin Wenig.</u>		10-Q	000-24821	10/16/2014
10.45+	<u>Written Description of Transaction Success and Retention Program.</u>		10-K	000-24821	2/6/2015

Explanation of Responses:

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10.46+	<u>Nomination and Standstill Agreement, dated as of January 21, 2015, by and among the persons and entities listed on Schedule A thereto and Registrant.</u>	8-K	000-24821	1/23/2015
10.47+	<u>Amended and Restated eBay Inc. Change in Control Severance Plan for Key Employees, effective January 1, 2016.</u>	10-Q	001-37713	4/27/2016
10.48+	<u>Amended and Restated eBay Inc. SVP and Above Standard Severance Plan, effective January 1, 2016.</u>	10-Q	001-37713	4/27/2016

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No.	Exhibit Description	Filed with this 10-K	Incorporated by Reference		
			Form File No.	Date Filed	
10.49	<u>Amendment dated June 30, 2016, to the Operating Agreement by and among Registrant, eBay International AG, PayPal Holdings, Inc., PayPal, Inc., PayPal Pte. Ltd. and PayPal Payments Pte. Holdings S.C.S.</u>		10-Q	001-37713	7/21/2016
10.50	<u>Operating Agreement, dated as of July 17, 2015, by and among Registrant, eBay International AG, PayPal Holdings, Inc., PayPal, Inc., PayPal Pte. Ltd. and PayPal Payments Pte. Holdings S.C.S.</u>		8-K	000-24821	7/20/2015
10.51	<u>Transition Services Agreement, dated as of July 17, 2015, by and between Registrant and PayPal Holdings, Inc.</u>		8-K	000-24821	7/20/2015
10.52	<u>Tax Matters Agreement, dated as of July 17, 2015, by and between Registrant and PayPal Holdings, Inc.</u>		8-K	000-24821	7/20/2015
10.53+	<u>Employee Matters Agreement, dated as of July 17, 2015, by and between Registrant and PayPal Holdings, Inc.</u>		8-K	000-24821	7/20/2015
10.54	<u>Intellectual Property Matters Agreement, dated as of July 17, 2015, by and among Registrant, eBay International AG, PayPal Holdings, Inc., PayPal, Inc., PayPal Pte. Ltd. and PayPal Payments Pte. Holdings S.C.S.</u>		8-K	000-24821	7/20/2015
10.55+	<u>Letter dated September 30, 2014 from Registrant to Scott Schenkel.</u>		10-Q	000-24821	7/21/2015
10.56+	<u>Offer Letter dated September 2, 2014 between Registrant and Steve Fisher.</u>		10-Q	001-37713	4/27/2016
10.57+	<u>Offer Letter dated April 2, 2015 between Registrant and Marie Oh Huber.</u>		10-Q	001-37713	4/27/2016
10.58+	<u>Offer Letter dated September 26, 2013 between Registrant and R.J. Pittman.</u>		10-Q	001-37713	4/20/2017
12.01	<u>Statement regarding computation of ratio of earnings to fixed charges.</u>	X			
21.01	<u>List of Subsidiaries.</u>	X			
23.01	<u>PricewaterhouseCoopers LLP consent.</u>	X			
24.01	Power of Attorney (see signature page).	X			
31.01	<u>Certification of Registrant's Chief Executive Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X			
31.02	<u>Certification of Registrant's Chief Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002.</u>	X			
32.01	<u>Certification of Registrant's Chief Executive Officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X			
32.02	<u>Certification of Registrant's Chief Financial Officer, as required by Section 906 of the Sarbanes-Oxley Act of 2002.</u>	X			
101.INS	XBRL Instance Document	X			

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101.SCH	XBRL Taxonomy Extension Schema Document	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	X

+ Indicates a management contract or compensatory plan or arrangement

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on the 5th day of February, 2017.

eBay Inc.

By: /s/ Devin N. Wenig

Devin N. Wenig

President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Devin N. Wenig, Scott F. Schenkel, Brian J. Doerger and Marie Oh Huber and each or any one of them, each with the power of substitution, his or her attorney-in-fact, to sign any amendments to this report, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 5, 2018.

Principal Executive Officer:

Principal Financial Officer:

By: /s/ Devin N. Wenig

Devin N. Wenig

President and Chief Executive Officer

By: /s/ Scott F. Schenkel

Scott F. Schenkel

Senior Vice President, Chief Financial Officer

Principal Accounting Officer:

By: /s/ Brian J. Doerger

Brian J. Doerger

Vice President, Chief Accounting Officer

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Additional Directors

By:/s/ Pierre M. Omidyar	By:/s/ Thomas J. Tierney
Pierre M. Omidyar	Thomas J. Tierney
Founder and Director	Chairman of the Board and Director

By:/s/ Fred D. Anderson	By:/s/ Edward W. Barnholt
Fred D. Anderson	Edward W. Barnholt
Director	Director

By:/s/ Anthony J. Bates	By:/s/ Adriane Brown
Anthony J. Bates	Adriane Brown
Director	Director

By:/s/ Diana Farrell	By:/s/ Logan D. Green
Diana Farrell	Logan D. Green
Director	Director

By:/s/ Bonnie S. Hammer	By:/s/ Kathleen C. Mitic
Bonnie S. Hammer	Kathleen C. Mitic
Director	Director

By:/s/ Paul S. Pressler	By:/s/ Robert H. Swan
Paul S. Pressler	Robert H. Swan
Director	Director

By:/s/ Perry M. Traquina
Perry M. Traquina
Director

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