

May 5, 2026

Dear Fellow PayPal Shareholder:

We write to urge you to vote in favor of **Proposal 5** on the PayPal Inc. proxy statement for the 2026 annual meeting on **May 19, 2026**.

Deborah Sagner has submitted a shareholder resolution to PayPal that requests the Board establish a policy ensuring people in conflict zones, such as Palestine, do not suffer discriminatory exclusion from the company's financial services. If the company decides not to establish this policy, we request PayPal to provide an evaluation of the economic impact the policy this exclusion has on the affected populations as well as the company's finances, operations and reputation.

Support for this Resolution is warranted and in the best interest of shareholders because:

- Extending PayPal's services to Palestinians creates a new market opportunity with millions of new customers
- The Palestinian financial sector would welcome PayPal's services and meets all international security standards
- PayPal peers have already entered the market and reaped the benefits
- PayPal has experience providing services in other conflict affected regions
- PayPal's decision to deny access specifically to the Palestinian population can be perceived as discriminatory, creating reputational risk

Shareholders have raised this issue with our Board in prior resolutions, in past years, and we continue to be concerned by PayPal's decision to exclude services to millions of Palestinians in the West Bank and Gaza, while simultaneously providing services throughout the state of Israel, including to illegal Israeli settlements across the West Bank.

Associations of Palestinian business leaders and enterprises have been actively asking our company for over ten years to initiate services. Meanwhile our competitors such as Apple Pay have done so and have reaped the benefits. Access to PayPal services for Palestinians would provide particularly valuable services for international freelance, small business and tech consultancies to succeed. As shareholders, it is unclear to us why our company would turn away such an actively interested constituency when their neighbors have access.

As Sam Bahour, a leading Palestinian businessman, reported to the 2023 AGM,

It is unusual for a country's private sector to be so persistent in requesting a firm to offer its services, but we know PayPal is not just another company. When I recently read an article in The Value Investor titled, "PayPal: Time To Pay Up" (May 16, 2023) their analysis warned, "Continued innovation by peers, showing stronger volume growth, raises the question of how strong the competitive position of PayPal is." The Palestinian private sector is offering its hand to help address all these concerns.

Mr Bahour, who has served as a long-time board member of one of the largest banks in Palestine, and until recently chaired their Risk and Compliance Committee, went on to note:

I can never offer a satisfactory answer to those who ask why PayPal refuses to follow the lead of technology giants like Apple Pay, Google, Cisco, HP, Oracle, and many others, which all operate in Palestine.

Likewise, it's a fact that Palestine has a thriving banking sector and all Palestinian banks have corresponding U.S. banks that make money transfers daily. The U.S. Treasury Department is also active in Palestine and has praised the level of Palestinian banking compliance.

Yet, PayPal is not here.

PayPal has already provided services in such difficult contexts as Somalia and Yemen, and [recent research by civil society](#) profiles a robust Palestinian business context eager for PayPal to do business with them:

- Thirteen banks are operating in the West Bank and Gaza Strip, six foreign and seven local. All offer internet banking and mobile banking. One third of them facilitate making purchase payments, and money transfers through e-wallets and digital payment methods such as Apple Pay and PalPay (a local initiative). Arab Bank, the largest foreign bank operating in these areas has recently launched Reflect, the first “neobank,” targeting banked and unbanked millennials.
- Local Palestinian banks are integrated into global networks, issuing Visa and MasterCard cards and participate in SWIFT for international transfers. Other payment services, such as Apple Pay, allows Palestinians with local bank cards to make payments.
- The Palestine Monetary Authority has implemented anti-money laundering safeguards meeting international standards, and all Palestinian banks maintain correspondent relationships with U.S. and EU banks.
- Palestinian regulators have asked PayPal to reconsider, arguing that extending services to Palestinians would support economic development and financial inclusion. To date, however, Palestinians remain unable to use PayPal, cutting them off from the backbone of global online commerce and payments

Palestinian exclusions from PayPal services creates clear financial challenges for the population:

- Palestinians must resort to costly and heavy alternatives. Many freelancers in Gaza and the West Bank rely on manual transfers via Western Union or MoneyGram, which incur high fees and result in delays.
- Local digital payment options exist (such as PalPay, a domestic service), but these have limited functionality and can be expensive, leading even local

e-commerce startups to handle transactions in cash rather than online due to the resulting fees.

In our company's opposition statement to our resolution, the Board states:

Consistent with PayPal's mission to revolutionize commerce globally, we are focused on empowering consumers and businesses to thrive in the global economy. We take a disciplined approach to evaluating markets and focus on those where we believe we can properly meet customer needs, deliver long-term value for our stockholders, address applicable regulatory and compliance requirements, and appropriately manage and mitigate risk.

PayPal's approach to the concerns raised in the proposal seems to contrast with its stated mission to "empower consumers and businesses to thrive in the global economy." The lack of access to global payment gateways is a foundational barrier that hinders all other online economic activities for Palestinians, from selling crafts in the international marketplaces to receiving payment for remote consulting work. PayPal's decision to continue to deny Palestinians access to its service also presents reputational risk from perceived discriminatory practices, raising questions around PayPal management's decision-making and sound Board governance.

In short, PayPal has navigated opening its services to customers in conflict affected regions before, peers have similarly been successful in opening services to Palestinians in the region, and there is a clear financial services void for the Palestinian population that PayPal is uniquely positioned to fill.

As shareholders who value both opportunity and disciplined management and share these goals of consumer empowerment, we ask our company to welcome the potential of the Palestinian businesses and customers to the PayPal community.

We urge you to vote FOR on this resolution.

Thank you for your consideration.

Deborah Sagner

If you have any questions about the resolution or would like to discuss this further, please contact Eric Skype at eric@7amleh.org.

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; We are not able to vote your proxies, nor does this communication contemplate such an event. We urge shareholders to vote for Proposal No. 5 following the instructions provided on management's proxy mailing.