

**PAYPAL BATTLEHACK DEVELOPER'S COMPETITION
OFFICIAL RULES**

NO PURCHASE NECESSARY. OPEN TO (A) LEGAL RESIDENTS OF THE FIFTY (50) UNITED STATES AND THE DISTRICT OF COLUMBIA WHO ARE 18 YEARS OF AGE AND OLDER AND WHO ARE PHYSICALLY LOCATED AND RESIDE IN THE UNITED STATES OR DISTRICT OF COLUMBIA.

VOID IN PUERTO RICO AND WHERE PROHIBITED.

1. ELIGIBILITY: No Purchase Necessary. *The PayPal BattleHack Developer's Competition* (the "Competition") is open to legal residents of the fifty (50) United States and the District of Columbia who are 18 years of age and older and who are physically located and reside in the United States or District of Columbia ("Eligible Participant"). Void in Puerto Rico and where prohibited. Employees, directors and officers, and their immediate families (spouse, parents, children, siblings, and their respective spouses), and their respective household members, of PayPal Inc. ("Sponsor), its parent company, affiliates, subsidiaries, divisions and advertising and promotion agencies are not eligible to enter. Competition is subject to all federal, state and local laws. U.S. law governs this Competition.

2. COMPETITION TIMING/DESCRIPTION: The Competition begins at 12:00:00 AM Pacific Time (PT) on (5/17/13) and ends 11:59:59 PM PT on (12/31/13) (the "Promotion Period"). There will be (5) events that will take place in the following areas throughout the Promotion Period: California, District of Columbia, Washington, Texas, Florida and New York.. Eligible Participants may participate individually or as a team with a maximum of four (4) Eligible Participants. One (1) first place prize, (1) second and (1) third place prizes will be awarded per event in each of the U.S. regions listed above. The winner of a first place prize will be the Eligible Participant (or team) that receives the highest score for their submission as determined by expert judges based on judgeable criteria listed below. Second and third place prize winners will be the Eligible Participants (or teams) that receive the second and third highest scores for their submissions, respectively.

3. HOW TO PARTICIPATE IN THE COMPETITION: To participate in the Competition, you must register for an event at (<http://battlehack.org>). You will need to include the email address associated with your PayPal account, name and mailing address. . Sponsor will only accept a limited number of entrants per event. During the event for which you have registered, you must submit to the PayPal Competition representatives attending the Event an application (the "application") to be used with PayPal's API in relation to the Event's theme, which will be announced prior to the start of the Event. You will have to present to the judges that are present at the Event an original project/prototype of your Application during a time window defined at each Event. Only the Applications coming from registered individuals/teams can be considered by the judges. All components of each entry must be submitted in accordance with these Official Rules. You may not submit more than one (1) Entry to each Event, whether you are an individual entrant or part of a team. An Eligible Participant (or team) must be the sole owner of the application submitted. Individuals and/or teams deemed winners at one Event cannot compete in another, separate Event, except that first-prize winners are eligible to compete at the Grand Prize Final Event.

If you enter the Competition as a member of a team, you understand and agree that, in order for a team to be eligible to participate, all of the members of the team must meet the eligibility criteria contained herein and agree to these Terms and Conditions. By entering, you warrant that you have obtained the appropriate agreement and/or approval by your team members. In addition, you understand and agree that if the team is selected to receive a prize, the team is responsible for ensuring that the prize will be appropriately distributed to each member of the team and each member of the team must agree upon the payment method for the final prize. The eligibility of an Entrant is tied to the eligibility of the team. So if one member of a team does not comply with these Terms and Conditions or is disqualified, the team as a whole will be disqualified.

The Entry must be in keeping with the Sponsor's image, and may not be offensive, nor can it defame, or invade upon the publicity rights or privacy of any person or otherwise infringe upon any person or entity's intellectual property, personal or proprietary rights, as determined by Sponsor and the judges in their sole discretion. Each entrant must either (i) be the sole and exclusive owner of all rights (including, without limitation, all intellectual property rights) in and to all content and elements incorporated into or used in the entry; or (ii) have the express written permission to use such content and elements from the owner(s) of the rights to such content and elements. Any entrant whose entry includes content or elements not owned by the entrant must be able to provide written legal releases (in a form that is satisfactory to Sponsor and the judges) that permit the entrant to use and exploit such content and elements in the manner used and exploited and that permit Sponsor's right to use and exploit the content and materials in accordance with these Official Rules ("IP Releases") before eligible to be declared a winner.

SPONSOR RESERVES THE RIGHT, AT ITS SOLE DISCRETION, TO DISQUALIFY ANY ENTRY THAT THE SPONSOR FEELS IS INAPPROPRIATE, OBJECTIONABLE AND/OR INCONSISTENT WITH THE POSITIVE IMAGE AND/OR GOOD WILL IT WISHES TO PROMOTE IN THIS COMPETITION.

ALL ELIGIBLE PARTICIPANTS ACKNOWLEDGE AND AGREE THAT ALL ENTRY MATERIALS SUBMITTED IN CONNECTION WITH THIS COMPETITION ARE SUBMITTED ON A NON-CONFIDENTIAL AND NON-PROPRIETARY BASIS AND MAY BE USED BY SPONSOR, ITS AGENTS AND SUBSIDIARIES, FOR ADVERTISING AND PROMOTIONAL PURPOSES.

Entries that are mechanically reproduced, copied, illegible, incomplete or inaccurate are void. Entries will not be acknowledged or returned. Entries that have been generated by a script, macro, bot or any other automated means will be deemed void. If a dispute results as to the identity of an entrant, it will be determined that the entry was submitted by the natural person assigned to the email address used for entry. Incomplete entries or entries not complying with these Official Rules are subject to disqualification. Sponsor is not responsible for late, lost, incomplete, illegible, damaged, or misdirected entries. Sponsor's decisions are final on all matters relating to this Competition. Any redistribution(s) by an entrant of his/her application and/or description shall not include any reference to the Competition or, for those entrants that are selected as winners, include any references to the fact that the entrant was a winner without permission from Sponsor. Sponsor reserves all rights, including the right to edit, publish, use, adapt, modify, or dispose of any

application/description, proper names, likenesses, and photographs for advertising and promotional purposes in all media (including, but not limited to, the internet) without additional compensation, except where prohibited by law. If an entrant changes his/her telephone number, email address, and/or street address after he/she enters the Competition, it is his/her sole responsibility to notify the Sponsor by (postal) mailing notice to PayPal's address (listed below) to be received by the end of the Promotion Period.

4. DETERMINATION OF WINNERS: One (1) First Prize winner (individual or team) will be determined for each event. All eligible entries at each event will be judged by a panel of expert judges (internal and external to PayPal) selected by the Sponsor in its sole discretion, and one (1) winner will be determined for each event from among all valid entries received for each event. Judging will be based on the following criteria: (i) Implementation – 50% (ii) Innovation – 25%, and (iii) Real world usability – 25%. The panel of judges, internal and external to PayPal, will choose the winning Contributions for the Competition at the end of each Event from all the valid entries received by PayPal during the Promotional Period. You will be able to obtain full details about the judges on the Competition website and from the PayPal Competition representatives attending the Events. PayPal reserves the right to appoint new/substitute judges for reasons outside its reasonable control (including, but not limited to, in the case of illness, unavoidable absence, or conflict of interest of any of the judges). When choosing the winning Contributions, the panel of judges will be looking for (i) the quality of the idea, (ii) its implementation, and (iii) execution as well as the overall user experience. The top-scoring entry at each event will be declared a potential First Prize winner, subject to verification and compliance with these Official Rules. In the event of a tie, the Entries involved in the tie will be reviewed by an additional judge who will serve as a tiebreaker and who will evaluate Entries according to the criteria listed above. Decision of judges is final and binding on all matters relating to this Competition. A winner will be determined at the end of each event. A person may only be deemed a winner in one Event. A winner of a BattleHack Event is ineligible to compete in another BattleHack Event, except that first-prize winners are eligible to compete in the Grand Prize and Final Event.

5. WINNER NOTIFICATION: Potential winners will be notified immediately following each event, at the event, and by email and/or U.S. mail using the contact information provided at the time of entry. Potential winners may be required to provide copies of Intellectual Property (IP) Releases (if applicable) and will be required to sign an affidavit of eligibility and liability release and, where legal, a publicity release and a federal and state tax release and return same, properly executed, within 48 hours via fax and within five (5) days of issuance of notification via regular U.S. Mail. Failure to return any or all documents fully-executed within the specified time period, or if any notification is returned as undeliverable, will result in disqualification and a runner-up may be selected.

6. PRIZES: One (1) first prize winner for each event: Eligibility to compete for the Grand Prize and the Final Event held in November 2013 in San Jose, CA at PayPal Headquarters. Winner will receive roundtrip air transportation from a major airport nearest his/her home, 3 day hotel accommodations and transfers to/from Final Event. Approx. Retail Value (ARV): \$1,700. One (1) second prize winner: each team member receives an electronic tablet device, ARV \$500 each (up to 4 team members) and

one (1) third prize winner: each team member receives an electronic leap device, ARV \$50 each (up to 4 team members). Total ARV of all prizes: \$3,900. Actual value of trip prize depends upon the city of departure, time of travel, any airfare fluctuations and on current market conditions at time of prize fulfillment, and any difference between the stated ARV and the actual value if any, will not be awarded. See "Travel Restrictions" section below for further information. Prizes are not transferable.

Each potential winner with a PayPal account must have a U.S PayPal Account in good standing in order to receive the prize. A prize will not be awarded to a winner with a locked, closed or restricted account. An entrant may only receive one (1) prize. **All taxes and any other costs and expenses not specifically stated within these Official Rules are the sole responsibility of a winner.** A prize may not be transferred or substituted, except at Sponsor's sole discretion. Specifics of a prize are in Sponsor's sole discretion. Sponsor reserves the right, in its sole discretion, to award a prize of equal or greater value. Allow 4-6 weeks for receipt of prize. Merchandise prizes are awarded "as is" and any and all guarantees and warranties on merchandise prizes are subject to the manufacturers' terms and conditions, and winners agree to look solely to such manufacturers for any such warranty or guarantee claim.

Travel Restrictions

Winner must be able to travel on dates specified above by Sponsor or prize will be forfeited and an alternate winner may be selected. Winner must sign travel release prior to traveling. Trip is subject to air/hotel availability and confirmation of reservations; certain travel restrictions and blackout dates may apply. The trip may not be combined with any other offer. Airline and flight times to be selected by Sponsor at its sole discretion. One or more stopovers may be required on air transportation. Air transportation, if applicable, and hotel accommodations must be taken together and cannot be taken separately. All travel arrangements must be made through Sponsor's agent on a carrier of Sponsor's choice. Once trip dates have been booked, no change, extension or substitution of trip dates is permitted, except at Sponsor's sole discretion. Winner must confirm available travel dates and flight times selected by the Sponsor at least three (3) weeks prior to travel dates. No extension or change of trip dates permitted. Sponsor will not replace any lost or stolen tickets, travel vouchers, certificates or similar items once they are in winner's possession. If the winner lives within 100 miles of prize destination city, the air transportation portion of the prize will not be awarded and ground transportation will be substituted and no additional compensation will be provided. Winner must possess valid ID and is solely responsible for obtaining all necessary and required travel documents (passport, etc.) in order to travel. Sponsor, its affiliates, subsidiaries, divisions, advertising and promotion agencies, and Tenthwave Digital LLC shall not be responsible for any cancellations, delays, diversions or substitution or any act or omissions whatsoever by the air carriers, hotels or other transportation companies or any other persons providing any of these services and accommodations to passengers including any results thereof such as changes in services or accommodations necessitated by same; and shall not be liable for any loss or damage to baggage. All airline tickets issued in conjunction with prize are not eligible for frequent flyer miles. Prize components cannot be used in conjunction with any other promotion or offer, and no portion may be separated except at Sponsor's sole discretion. Prize conditions may be added or modified by companies providing those portions of the prize. The prize restrictions/conditions stated herein are

not all-inclusive and may be subject to additional restrictions/conditions, which may be stated in the affidavit and release and/or prize travel documents. Costs for room and tax only based on one room; meals, telephone calls, baggage fees and other incidentals are not included.

7. CONDITIONS OF PARTICIPATION: Sponsor will collect information from the entrant for the purpose of this promotion and may attempt to contact entrant, unless entrant has previously opted out from receiving marketing communications from PayPal. All materials submitted in connection with the Competition will not be returned. By participating, entrants agree to be bound by these Official Rules including all eligibility requirements. By accepting a prize, winner consents to the use of his/her name, image, likeness, photograph, voice and biographical material and entry submission for advertising, publicity and promotional purposes by Sponsor, or a party designated by Sponsor, in any and all media now or hereafter known including but not limited to, any online announcements, or for sharing this information with the press for viewing, whether TV or print, throughout the world in perpetuity, without additional compensation, notification or permission, except where prohibited by law. Entrants agree to abide by the terms of these Official Rules and the decisions of the judges, which are final, and waive any right to claim ambiguity in these Official Rules. Entrants agree that any and all disputes shall be governed by the laws of the State of California.

8. GRANT OF LICENSE: By entering the Competition, entrants grant Sponsor, its agents, subsidiaries and affiliates (the "Licensees") a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, sub-licensable license to use, import, export, copy, reproduce, modify, create derivative works from, display, and transmit any and all intellectual property rights entrant has in the Application ("entry"), in any media now known or hereafter devised (including without limitation, the internet). Further, by entering the Competition, entrant grants Licensees the additional license to, and by winning, winners grant Sponsor the rights to, adapt, translate, and distribute the entry (with the understanding that Licensees and Sponsor are under no obligation to do so) or incorporate the entry into any form, medium or technology, including the right, at each Licensee's and/or Sponsor's sole discretion, to publish the entry for advertising and promotional purposes. Licensees/Sponsor shall not be required to designate entrants/winners as the creators or authors of the entries that are distributed or otherwise exploited by Licensees/Sponsor, or include any references to entrants/winners on, or in connection with, any entries that are distributed or otherwise exploited by Licensees/Sponsors. Each entrant agrees that Sponsor may, without any limitation or further compensation, use his or her name, voice and/or likeness in any and all media for the purpose of advertising and promoting the Website, the Competition, or any other promotion, sponsored by the Sponsor. Neither entrants nor winner shall be entitled to receive any compensation or credit for use of entries, other than that disclosed in these Official Rules.

By submitting an entry, entrant acknowledges and agrees that Sponsor may obtain many entries in connection with this Competition and/or other competitions staged and/or promoted by the Sponsor, and that such entries may be similar or identical in theme, idea, format or other respects to other entries submitted in connection with this Competition and/or other competitions sponsored by the Sponsor or submitted for other reasons or other materials developed by the Sponsor. Entrant waives any and all claims entrant may have had, may have, and/or may have in the future, that any

entry and/or other works accepted, reviewed and/or used by the entrant may be similar to his/her entry, or that any compensation is due to entrant in connection with such entry or other works used by Sponsor. By submitting an entry, entrant hereby grants permission for the entry to be posted on a PayPal website or other websites. Entrant agrees that Releasees are not responsible for any unauthorized use of entries by third parties. Releasees do not guarantee the posting of any entry.

9. REPRESENTATIONS AND WARRANTIES: Entrant represents and warrants the following: 1) that he/she is the original author (or represents and warrants that the owner of such rights has expressly granted any and all rights to the entrant) of any and all entry materials posted, uploaded, or otherwise sent to PayPal (modifying, enhancing or altering a third party's pre-existing work does not qualify as entrant's original creation); 2) the entry will not infringe any third party's copyright, patent, trademark, trade secret or other proprietary rights or rights of publicity or privacy. Entrants are prohibited from posting, uploading, or otherwise sending to PayPal any entry material that infringes on any copyright, trademark or proprietary rights of another (including publicity and privacy rights); 3) that the submission is not the subject of any actual or threatened litigation or claim; 4) that the entry material is not obscene, offensive, libelous, pornographic, threatening, abusive, contains illegal content, or is otherwise objectionable, that would constitute or encourage a criminal offense, or that would otherwise give rise to liability or violate any law; 5) that publication of the entry via various media including web posting, will not infringe on the rights any third party rights. If PayPal has reason to believe your entry is not your own work, then PayPal may invalidate your entry into the Competition. You will indemnify and hold PayPal harmless from any claims in relation to your entry.

Entrant acknowledges that nothing herein shall constitute an employment, joint venture, or partnership relationship between entrant and Sponsor. In no way is entrant to be construed as the agent or to be acting as the agent of Sponsor in any respect.

10. LIMITATION OF LIABILITY: ENTRANTS HEREBY AGREE TO RELEASE, INDEMNIFY AND HOLD HARMLESS PAYPAL INC. ("SPONSOR"), ITS PARENT COMPANY, AFFILIATES, SUBSIDIARIES, DIVISIONS, ADVERTISING AND PROMOTION AGENCIES AND THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND SHAREHOLDERS (COLLECTIVELY, THE "RELEASEES") FROM ANY CLAIMS, ACTIONS, INJURY, LOSS OR DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH, RESULTING FROM PARTICIPATING IN THE COMPETITION OR FROM THE ACCEPTANCE, POSSESSION, OR USE OR MISUSE OF ANY PRIZE AWARDED OR PARTICIPATION IN ANY PRIZE-RELATED ACTIVITY. THIS LIMITATION OF LIABILITY IS A COMPREHENSIVE LIMITATION OF LIABILITY THAT APPLIES TO ALL DAMAGES OF ANY KIND, INCLUDING (WITHOUT LIMITATION) COMPENSATORY, DIRECT, INDIRECT, OR CONSEQUENTIAL DAMAGES; LOSS OF DATA, INCOME, OR PROFIT; LOSS OR DAMAGE TO PROPERTY; AND CLAIMS OF THIRD PARTIES. PARTICIPANTS AGREE THAT RELEASEES HAVE NOT MADE NOR ARE IN ANY MANNER RESPONSIBLE OR LIABLE FOR ANY WARRANTY, REPRESENTATION, OR GUARANTEE, STATUTORY, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, AND FITNESS FOR A PARTICULAR PURPOSE), IN FACT OR IN LAW, RELATIVE TO THE COMPETITION OR THE PRIZE AWARDED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, RELEASEES DO NOT MAKE ANY EXPRESS OR

IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO ANY PAYPAL WEB SITE AND RELEASEES SHALL NOT BE LIABLE FOR THE CONSEQUENCES OF ANY INTERRUPTIONS OR ERRORS RELATED THERETO. THESE TERMS GIVE YOU SPECIFIC LEGAL RIGHTS. THE PROVISIONS REGARDING IMPLIED WARRANTIES ARE VOID IN SOME PROVINCES WHERE IMPLIED WARRANTIES ARE PRESCRIBED BY LAW. Releasees are not responsible for lost, late, incomplete, illegible, inaccurate, delayed, garbled, damaged, stolen or misdirected or postage-due mail or submissions, or problems of any kind, whether mechanical, human or electronic. Releasees are not responsible for technical, hardware or software malfunctions, telephone failures of any kind, lost or unavailable network connections, inability to access a website, inability to upload an application or complete and submit an online form, fraud, incomplete, garbled, or delayed computer transmissions or inaccurate transcription of entry information, whether caused by Sponsor, users or by any of the equipment or programming associated with or utilized in the Competition or by any technical or human error which may occur in the processing of submissions which may damage a user's system or limit a participant's ability to participate in the Competition. Entry materials that have been tampered with or altered are void. Sponsor reserves the right, in its sole discretion, to cancel or suspend part or all of the Competition at any time without notice, if in the judges' opinion there is any suspected or actual evidence of electronic or non-electronic tampering with any portion of the Competition, or if any virus, bugs, non-authorized human intervention or other causes corrupt or impair the administration, security, fairness or integrity and proper play of the Competition or for any other reason in its sole discretion. In such event, Sponsor may void any entries they suspect are at issue and award the prize from among all non-suspect eligible entries received up to the date of cancellation. CAUTION: ANY ATTEMPT BY AN ENTRANT OR ANY OTHER INDIVIDUAL TO DELIBERATELY DAMAGE THE WEBSITE OR ANY ONLINE SERVICE RELATED TO THE COMPETITION OR TO UNDERMINE THE LEGITIMATE OPERATION OF THE COMPETITION MAY BE A VIOLATION OF CRIMINAL AND CIVIL LAWS AND SHOULD SUCH AN ATTEMPT BE MADE, SPONSOR RESERVES THE RIGHT TO SEEK DAMAGES (INCLUDING ATTORNEY'S FEES) FROM ANY SUCH PERSON TO THE FULLEST EXTENT PERMITTED BY LAW, INCLUDING CRIMINAL PROSECUTION. Sponsor's failure to enforce any term of these Official Rules shall not constitute a waiver of such term or any other provision. Sponsor reserves the right to disqualify any entrant who violates the rules or interferes with the Competition in any manner. If an entrant is disqualified, Sponsor reserves the right to terminate such entrant's eligibility to participate in the Competition. Any attempt by an individual to access any website associated with the Competition via a bot script or other brute force attack or any other unauthorized means will result in the IP address becoming ineligible. Use of automated entry devices or programs is prohibited.

Without limiting the generality of the foregoing, each Eligible Participant agrees to release and hold harmless the Releasees from and against any and all claims based on publicity rights, defamation, invasion of privacy, copyright infringement, trademark infringement or any other intellectual property related cause of action that relate in any way to the entry.

The Sponsor reserves the right, in its sole and absolute discretion, to cancel, amend or suspend this Competition, or to amend these Official Rules, without prior notice or obligation, in the event of any accident, printing, administrative, or other error or any kind, or for any other reason.

11. DISPUTES: Except where prohibited, all issues and questions concerning the construction, validity, interpretation and enforceability of these Official Rules, or the rights and obligations of the participant and Sponsor in connection with the Contest, shall be governed by, and construed in accordance with, the laws of the State of California, without giving effect to any choice of law or conflict of law rules (whether of the State of California, or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of California.

In the event of any discrepancy or inconsistency between the terms and conditions of these Official Rules and disclosures or other statements contained in any Competition-related materials, including, but not limited to: the Website and/or point of sale, television, print or online advertising; the terms and conditions of these Official Rules shall prevail, govern and control.

The Sponsor reserves the right, in its sole and absolute discretion, and without prior notice, to adjust any of the dates and/or timeframes stipulated in these Official Rules, to the extent necessary, for purposes of verifying compliance by any entrant or entry with these Official Rules, or as a result of technical problems, or in light of any other circumstances which, in the opinion of the Sponsor, in its sole and absolute discretion, affect the proper administration of the Competition as contemplated in these Official Rules.

12. Winners of the Competition will be notified during the Event or by telephone or email to the telephone number or email address provided to PayPal by winners within 10 business days of each Event. The prizes (or as the case may be, the means by which the prizes may be claimed) will be sent to the winners within 30 business days of notification, except for the final cash prize.

13. Entrants are responsible for ensuring that the contact details associated with their entry are up to date and accurate so they can be contacted if they win. If PayPal or its authorized agents are not able to contact the winners by midnight Pacific Time 14 calendar days after the first attempted notification, alternative winners may be chosen by the judges and the original winners' entitlement will lapse.

14. PayPal may ask for proof from the winners to verify their identity. PayPal may also ask the winners to provide proof of their age and/or country of residence.

15. WINNERS' LIST: For the names of the winners, available after 12/31/13, mail a self-addressed, stamped envelope by 12/31/13 to: PayPal BattleHack Developer's Competition Winners, P. O. Box 997, Plainview, NY 11803-0997.

16. SPONSOR: The Sponsor of this Competition is PayPal Inc., 2211 North First Street, San Jose, CA 95131.