

- (1) The amounts disclosed represent the aggregate grant date fair value of the award as calculated in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the award disclosed in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus.
- (2) The amount disclosed reflects the aggregate incremental costs of perquisites and other personal benefits, including, among other things, transportation costs of \$40,445 in connection with Ms. Friar commuting to our principal executive offices in San Francisco, California, and expense reimbursements for meals and parking costs.
- (3) The amount disclosed represents Ms. Henry's prorated base salary for the period during which she was employed with us in 2014.
- (4) The amount disclosed represents a discretionary one-time bonus paid in connection with Ms. Henry's joining us in May 2014.
- (5) The amount disclosed reflects the aggregate incremental costs of perquisites and other personal benefits, including, among other things, relocation assistance costs of \$130,654 related to Ms. Henry's joining us and relocation to San Francisco, California in May 2014, and expense reimbursements for meals and gym membership.

Executive Officer Employment Letters

Jack Dorsey

We have entered into a confirmatory employment letter with Jack Dorsey, our President and Chief Executive Officer. The confirmatory employment letter has no specific term and provides for at-will employment. Mr. Dorsey's current annual base salary is \$6,000.

Sarah Friar

We have entered into a confirmatory employment letter with Sarah Friar, our Chief Financial Officer. The confirmatory employment letter has no specific term and provides for at-will employment. Ms. Friar's current annual base salary is \$250,000.

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Ms. Friar received a stock option grant to purchase up to 1,400,000 shares of our common stock in February 2015 at an exercise price of \$10.06 per share. The option vests as to one-fifth of the shares subject to the option on March 1, 2016, and the remaining shares subject to the option will vest in equal monthly installments each month thereafter for four years.

Alyssa Henry

We have entered into a confirmatory employment letter with Alyssa Henry, our Seller Lead. The confirmatory employment letter has no specific term and provides for at-will employment. Alyssa Henry's current annual base salary is \$250,000.

Pension Benefits and Nonqualified Deferred Compensation

We do not provide a pension plan for our employees, and none of our named executive officers participated in a nonqualified deferred compensation plan in 2014.

Outstanding Equity Awards at 2014 Year-End

The following table sets forth information regarding outstanding stock options and stock awards held by our named executive officers as of December 31, 2014:

Name	Option Awards					Stock Awards	
	Grant Date ⁽¹⁾	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$) ⁽²⁾	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Jack Dorsey	—	—	—	—	—	—	—
Sarah Friar	7/25/2012(3)	590,140(4)	—	2.73	7/25/2022	—	—
	5/31/2013(3)	72,500(5)	—	2.90	5/31/2023	—	—
	8/27/2013(3)	878,340(6)	—	3.33	8/27/2023	—	—