

December 18 2002

Mr. Dean V. Kruse  
Kruse International  
5540 Country Road 11A  
Auburn, IN 46706

**Re: Separation and Consulting Agreement**

Dear Dean:

This letter sets forth the terms of a separation and consulting agreement (the "Agreement") between you and eBay Inc. ("eBay"), entered into in connection with eBay's sale of all of the outstanding capital stock of Kruse Inc. d/b/a Kruse International ("Kruse") and the other entities as provided in that certain Stock Purchase Agreement of even date ("SPA"), and supersedes your Employment Agreement with eBay dated May 18, 1999 (the "Employment Agreement") (a copy of which is attached as Exhibit A hereto), eBay's "welcome letter" to you dated as of June 8, 1999 ("Welcome Letter") (a copy of which is attached as Exhibit B hereto), and the amendment to the Employment Agreement dated April 26, 2001 (the "Amendment") (a copy of which is attached as Exhibit C hereto), except as provided herein.

1. **Separation.** You acknowledge that as of the date of this Agreement you are not, and subsequent to April 13, 2001 ("eBay Separation Date"), you have not been, employed by eBay (or any of its subsidiaries or affiliates other than Kruse), as provided in the Amendment.

2. **Accrued Salary and Vacation.** You acknowledge that eBay has paid you all accrued salary and accrued and unused vacation earned as of the eBay Separation Date, and that eBay has no obligation to pay you any accrued salary or accrued and unused vacation incurred during your employment by Kruse from the eBay Separation Date until the Effective Date of this Agreement or thereafter.

3. **Consulting Agreement.** You will serve as a consultant to eBay under the terms specified below.

(a) **Consulting Period.** The consulting period will begin immediately following the Effective Date of this Agreement and will continue until, and terminate effective as of, January 15, 2003 ("Consulting Period"), unless terminated earlier pursuant to subparagraph 3(e) below.

(b) **Consulting Services.** You agree to provide consulting services to eBay in any of the areas of your expertise during the Consulting Period upon request by eBay. You agree to be available to provide such services for up to thirty (30) hours per month during the

EXHIBIT C

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Consulting Period. You agree to exercise a high degree of professionalism and utilize your expertise and creative talents in performing these services.

**(c) Consulting Consideration.**

**(i) Stock Option Vesting.** As the sole and exclusive consideration for your consulting relationship with eBay provided herein, your options (the "Options") to purchase shares of eBay common stock, listed below on a split adjusted basis, shall continue vesting until 11:59 p.m. Indiana time on January 15, 2003. Your rights to exercise any vested shares of said Options shall be as provided in the applicable stock option grants, agreements and plans.

- Option Grant Date: 05/14/99 – 200,000 shares
- Option Grant Date: 10/01/99 – 20,000 shares
- Option Grant Date: 11/09/99 – 20,000 shares
- Option Grant Date: 01/12/01 – 125,000 shares
- Option Grant Date: 08/01/01 – 1,560 shares
- Option Grant Date: 02/01/02 – 850 shares
- Option Grant Date: 08/01/02 – 800 shares

**(ii) Taxes.** You acknowledge that you will be responsible for payment of any and all taxes incurred with respect to the continued stock option vesting provided above, and you hereby agree to indemnify and save harmless eBay from any liability for any taxes, penalties or interest that may be assessed by any taxing authority with respect to the compensation you receive under this Agreement.

**(d) Limitations on Authority.** You will have no responsibilities or authority as a consultant to eBay other than as provided above. You agree not to represent or purport to represent eBay in any manner whatsoever to any third party unless authorized by the Associate General Counsel of eBay, in writing, to do so.

**(e) Termination.** During the Consulting Period, eBay may terminate this Agreement (or any section hereof) in its sole discretion in the event that: (i) Kruse commits a material breach of that certain Transition Services Agreement referred to in the SPA (the "Transition Services Agreement"); (ii) eBay notifies Kruse of such breach; and (iii) Kruse does

not completely cure such material breach within 10 business days after the receipt of the notice described in clause "(ii)" of this sentence (it being understood that nothing contained in this Agreement, including any requirement for notice or opportunity to cure, shall limit any other rights that eBay may have with respect to a breach of this Agreement or the Transition Services Agreement). In the event of any such termination due to a material breach by Kruse, any further vesting of the Options not then yet vested shall be deemed to have ceased as of the expiration of the ten business days after receipt of the notice described in clause "(ii)" above unless the material breach has been completely cured by you or Kruse. In the event that your services as a consultant are voluntarily or involuntarily terminated due to your death or your inability due to substantiated medical reasons to perform the consulting services hereunder, any such termination shall not in and of itself be deemed to be a breach or default by you of this Agreement or by Kruse of the Transition Services Agreement (it being understood that no such death or inability shall limit or otherwise affect Kruse's obligations under the Transition Services Agreement).

**4. Other Compensation or Benefits.** You acknowledge that you will not receive from eBay any additional compensation or benefits of any kind (including but not limited to salary, commissions, bonuses, fees or severance), except as expressly provided in this Agreement or in the SPA.

**5. Return of Company Property.** You agree to return to eBay, not later than five (5) days after the Effective Date, all eBay documents (and all copies thereof) and other eBay property that you have had in your possession at any time, including but not limited to, any files, notes, drawings, records, business plans and forecasts, financial information, specifications, training materials, computer-recorded information, tangible property, including but not limited to, computers, credit cards, entry cards, identification badges and keys; and any materials of any kind that contain or embody any proprietary or confidential information of eBay (and all reproductions thereof). You may retain such documents, property, and materials during the Consulting Period only to the extent approved in writing by the Associate General Counsel of eBay and you shall return them immediately upon written request. The term eBay documents and property shall not include any property owned solely by the Companies (as the term "Companies" is defined in the SPA).

**6. Proprietary Information and Non-Competition Obligations.**

(a) You hereby acknowledge and confirm your obligations under your Employee Proprietary Information and Inventions Agreement dated May 18, 1999 (the "Proprietary Information Agreement") (a copy of which is attached as Exhibit D hereto), including but not limited to, your continuing obligations not to use or disclose any confidential or proprietary information of eBay without written authorization by the Associate General Counsel of eBay, which obligations continue both during and after the Consulting Period (it being understood, however, that it shall not be deemed to be a breach of this paragraph 6(a) or Exhibit D hereto for the Companies to continue to use any such confidential or proprietary information

in the operation of their respective businesses to the extent that: (i) such information was material to, and used by, the Companies in the operation of their businesses prior to the date hereof; and (ii) such information is used after the date hereof in a manner similar to the way in which it was used prior to the date hereof). The term "Proprietary Information" as used in the Proprietary Information Agreement shall not apply to such information whose rights and interests are owned solely by the Companies.

(b) You hereby reaffirm your noncompetition obligations to eBay, as provided in Section 8 of the Employment Agreement, for the period of five (5) years following the Effective Date of this Agreement; *provided, however*, that nothing in this Agreement shall either prohibit (i) your ownership, employment or involvement in the Companies, as defined in the SPA, as long as none of the Companies engages in any business or activity prohibited by Section 8 of the Employment Agreement as modified by this paragraph 6(b); or (ii) your conducting or participating in any business or activity, including live-event offline auctions or on-line auctions, as long as: (A) neither you nor any of your affiliates, directly or indirectly, without eBay's prior approval in a writing signed by a senior executive officer of eBay (which approval may be withheld in eBay's sole discretion) facilitate the listing and/or sale, directly or indirectly, of more than ten (10) late-model (i.e., less than 10 years old) vehicles, cars, trucks, boats, watercraft, or other merchandise from the same institutional seller (e.g., any leasing company, bank, financial institution, government agency, fleet management company or organization, rental car company, or financing company, including such seller's affiliates) each month; and (B) you and each of your affiliates use eBay as your and its exclusive marketplace for (1) on-line auctions (but only to the extent that you or your affiliates in their sole and absolute discretion elect to conduct on-line auctions), (2) on-line sales (but only to the extent that you or your affiliates in their sole and absolute discretion elect to conduct on-line sales), (3) on-line vehicle-specific listings, and (4) on-line vehicle-specific advertisements, in each case including without limitation live auction Internet bidding (it being understood that: (x) nothing in clauses "(3)" or "(4)" of this sentence shall prohibit Kruse or its current affiliates (acting on their own and not with any third parties) from including on their own website vehicle-specific information or vehicle-specific advertising, in each case as long as such information or advertising relates solely to vehicles that will be sold in offline auctions; (y) information or advertising of the type contemplated by clause "(x)" of this sentence may not be included on the website of any future affiliate of Kruse without the prior written consent of eBay, which consent shall not be unreasonably delayed or withheld; and (z) if you or any of your affiliates violates any of the terms of clause "(A)" or clause "(B)" of this sentence, then all of clause "(ii)" of this sentence shall thereafter cease to have any further force or effect). For purposes of this paragraph 6, on-line means any activity conducted in an electronic or digital format with the transaction concluded wholly or in part over the Internet.

7. **Nonsolicitation.** You agree that for one (1) year following the Effective Date you will not, either directly or through others, solicit or attempt to solicit any employee, consultant, or independent contractor of eBay to terminate his or her relationship with eBay in order to become an employee, consultant or independent contractor to or for any other person or entity.

8. **Confidentiality.** The provisions of this Agreement will be held in strictest confidence by you and eBay and will not be publicized or disclosed in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement to your immediate family; (b) the parties may disclose this Agreement in confidence to their respective attorneys, accountants, auditors, tax preparers, and financial advisors; (c) eBay may disclose this Agreement as necessary to fulfill standard or legally required corporate reporting or disclosure requirements; and (d) the parties may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, you will not disclose the provisions of this Agreement to any current or former Company employee or any other Company personnel.

9. **Nondisparagement.** Both you and eBay (by its officers and directors) agree not to disparage the other party, or the other party's officers, directors, employees, shareholders, parents, subsidiaries, affiliates, or agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; *provided, however*, that both you and eBay shall respond accurately and fully to any question, inquiry or request for information when required by legal process.

10. **Dispute Resolution.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action in law or equity arising from or relating to this Agreement or its enforcement, performance, breach or interpretation shall be resolved solely and exclusively as provided in Section 4.9 of the SPA.

11. **Release of Claims.** In exchange for the consulting arrangement, stock option vesting and other consideration under this Agreement to which you would not otherwise be entitled, you hereby release, acquit and forever discharge eBay, and its officers, directors, agents, servants, employees, attorneys, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, arising out of or in any way related to your employment with eBay or the termination of that employment; claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in eBay, vacation pay, fringe benefits, expense reimbursements, sabbatical benefits, severance benefits, or any other form of compensation; claims pursuant to any federal, state, local law, statute or cause of action, including but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Americans with Disabilities Act of 1990; the federal Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act (the "ADEA"); the Indiana Civil Rights Law, as amended; the Indiana Age Discrimination Law, as amended; the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; harassment; emotional distress; and breach of the implied covenant of good faith and fair dealing.

12. **ADEA Waiver.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the ADEA. You also acknowledge that the consideration given for the waiver and release in the preceding paragraph is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA, that: (a) your waiver and release do not apply to any rights or claims that arise after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement; (c) you have twenty-one (21) days to consider this Agreement (although you may choose to voluntarily sign this Agreement earlier); (d) you have seven (7) days following the date you sign this Agreement to revoke the Agreement; and (e) your release of any ADEA claims hereunder will not be effective until the date on which the revocation period has expired, which will be the eighth day after you sign this Agreement.

13. **Additional Waiver.** In granting the releases herein, you acknowledge that you understand that you are expressly waiving the benefit of all rights and benefits under: (a) California Civil Code section 1542 ("Section 1542"), which states, A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor; and/or (b) any law or legal principle of similar effect to Section 1542 in Indiana or any other jurisdiction, with respect to the release of unknown and unsuspected claims granted in this Agreement.

14. **Effective Date.** This Agreement shall be effective as of the date of the SPA ("Effective Date").

15. **Entire Agreement.** This Agreement, including Exhibits A, B, C and D hereto, constitutes the complete, final and exclusive embodiment of the entire agreement between you and eBay with regard to the subject matters hereof, and supersedes and renders void the Employment Agreement, the Welcome Letter and the Amendment, except that the following provisions shall remain in full force and effect: (a) Section 8 (Noncompetition) of the Employment Agreement, as modified herein, and (b) the following sections of the Amendment: 14(c), (d) and (e) (IRS Form 8300 Lawsuit); 18 (Noninterference with Business), as applicable to your obligations to eBay; 23 and 24. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein. It may not be modified except in a writing signed by you and the Associate General Counsel of eBay. Each party has carefully read this Agreement, has been afforded the opportunity to be advised of its meaning and consequences by his or its respective attorneys, and signed the same of his or its own free will.

16. **Successors and Assigns.** This Agreement will bind the heirs, personal representatives, successors, assigns, executors and administrators of each party, and will inure to the benefit of each party, its heirs, successors and assigns.

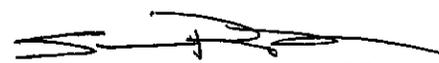
**17. Applicable Law.** Except as otherwise provided in paragraph 13 above and the Proprietary Information Agreement, this Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of Indiana as applied to contracts made and to be performed entirely within Indiana.

**18. Severability.** If a court of competent jurisdiction determines that any term or provision of this Agreement is invalid or unenforceable, in whole or in part, then the remaining terms and provisions hereof will be unimpaired. The court or arbitrator will then have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision that most accurately represents the parties' intention with respect to the invalid or unenforceable term or provision.

**19. Counterparts.** This Agreement may be executed in two counterparts, each of which will be deemed an original, all of which together constitutes one and the same instrument. Facsimile signatures are as effective as original signatures.

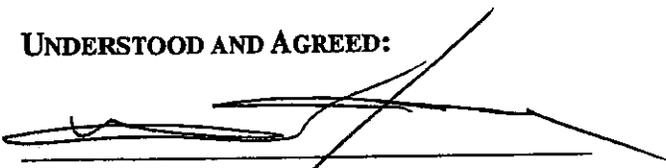
Sincerely,

**EBAY INC.**

By:   
Name: Simon Rothman  
Title: Vice President

- Exhibit A - Employment Agreement
- Exhibit B - Welcome Letter
- Exhibit C - Amendment to Employment Agreement
- Exhibit D - Employee Proprietary Information and Inventions Agreement

**UNDERSTOOD AND AGREED:**

  
Dean V. Kruse

Date: December 18, 2002

**EXHIBIT A**  
**EMPLOYMENT AGREEMENT**

**EXHIBIT B**  
**WELCOME LETTER**

**EXHIBIT C**

**AMENDMENT TO EMPLOYMENT AGREEMENT**

**EXHIBIT D**

**EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT**

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December 18 2002

Mr. Dean V. Kruse  
Kruse International  
5540 Country Road 11A  
Auburn, IN 46706

**Re: Separation and Consulting Agreement**

Dear Dean:

This letter sets forth the terms of a separation and consulting agreement (the "Agreement") between you and eBay Inc. ("eBay"), entered into in connection with eBay's sale of all of the outstanding capital stock of Kruse Inc. d/b/a Kruse International ("Kruse") and the other entities as provided in that certain Stock Purchase Agreement of even date ("SPA"), and supersedes your Employment Agreement with eBay dated May 18, 1999 (the "Employment Agreement") (a copy of which is attached as Exhibit A hereto), eBay's "welcome letter" to you dated as of June 8, 1999 ("Welcome Letter") (a copy of which is attached as Exhibit B hereto), and the amendment to the Employment Agreement dated April 26, 2001 (the "Amendment") (a copy of which is attached as Exhibit C hereto), except as provided herein.

1. **Separation.** You acknowledge that as of the date of this Agreement you are not, and subsequent to April 13, 2001 ("eBay Separation Date"), you have not been, employed by eBay (or any of its subsidiaries or affiliates other than Kruse), as provided in the Amendment.

2. **Accrued Salary and Vacation.** You acknowledge that eBay has paid you all accrued salary and accrued and unused vacation earned as of the eBay Separation Date, and that eBay has no obligation to pay you any accrued salary or accrued and unused vacation incurred during your employment by Kruse from the eBay Separation Date until the Effective Date of this Agreement or thereafter.

3. **Consulting Agreement.** You will serve as a consultant to eBay under the terms specified below.

(a) **Consulting Period.** The consulting period will begin immediately following the Effective Date of this Agreement and will continue until, and terminate effective as of, January 15, 2003 ("Consulting Period"), unless terminated earlier pursuant to subparagraph 3(e) below.

(b) **Consulting Services.** You agree to provide consulting services to eBay in any of the areas of your expertise during the Consulting Period upon request by eBay. You agree to be available to provide such services for up to thirty (30) hours per month during the

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Mr. Dean V. Kruse  
December 18, 2002  
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Consulting Period. You agree to exercise a high degree of professionalism and utilize your expertise and creative talents in performing these services.

**(c) Consulting Consideration.**

**(i) Stock Option Vesting.** As the sole and exclusive consideration for your consulting relationship with eBay provided herein, your options (the "Options") to purchase shares of eBay common stock, listed below on a split adjusted basis, shall continue vesting until 11:59 p.m. Indiana time on January 15, 2003. Your rights to exercise any vested shares of said Options shall be as provided in the applicable stock option grants, agreements and plans.

- Option Grant Date: 05/14/99 – 200,000 shares
- Option Grant Date: 10/01/99 – 20,000 shares
- Option Grant Date: 11/09/99 – 20,000 shares
- Option Grant Date: 01/12/01 – 125,000 shares
- Option Grant Date: 08/01/01 – 1,560 shares
- Option Grant Date: 02/01/02 – 850 shares
- Option Grant Date: 08/01/02 – 800 shares

**(ii) Taxes:** You acknowledge that you will be responsible for payment of any and all taxes incurred with respect to the continued stock option vesting provided above, and you hereby agree to indemnify and save harmless eBay from any liability for any taxes, penalties or interest that may be assessed by any taxing authority with respect to the compensation you receive under this Agreement.

**(d) Limitations on Authority.** You will have no responsibilities or authority as a consultant to eBay other than as provided above. You agree not to represent or purport to represent eBay in any manner whatsoever to any third party unless authorized by the Associate General Counsel of eBay, in writing, to do so.

**(e) Termination.** During the Consulting Period, eBay may terminate this Agreement (or any section hereof) in its sole discretion in the event that: (i) Kruse commits a material breach of that certain Transition Services Agreement referred to in the SPA (the "Transition Services Agreement"); (ii) eBay notifies Kruse of such breach; and (iii) Kruse does

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not completely cure such material breach within 10 business days after the receipt of the notice described in clause "(ii)" of this sentence (it being understood that nothing contained in this Agreement, including any requirement for notice or opportunity to cure, shall limit any other rights that eBay may have with respect to a breach of this Agreement or the Transition Services Agreement). In the event of any such termination due to a material breach by Kruse, any further vesting of the Options not then yet vested shall be deemed to have ceased as of the expiration of the ten business days after receipt of the notice described in clause "(ii)" above unless the material breach has been completely cured by you or Kruse. In the event that your services as a consultant are voluntarily or involuntarily terminated due to your death or your inability due to substantiated medical reasons to perform the consulting services hereunder, any such termination shall not in and of itself be deemed to be a breach or default by you of this Agreement or by Kruse of the Transition Services Agreement (it being understood that no such death or inability shall limit or otherwise affect Kruse's obligations under the Transition Services Agreement).

**4. Other Compensation or Benefits.** You acknowledge that you will not receive from eBay any additional compensation or benefits of any kind (including but not limited to salary, commissions, bonuses, fees or severance), except as expressly provided in this Agreement or in the SPA.

**5. Return of Company Property.** You agree to return to eBay, not later than five (5) days after the Effective Date, all eBay documents (and all copies thereof) and other eBay property that you have had in your possession at any time, including but not limited to, any files, notes, drawings, records, business plans and forecasts, financial information, specifications, training materials, computer-recorded information, tangible property, including but not limited to, computers, credit cards, entry cards, identification badges and keys; and any materials of any kind that contain or embody any proprietary or confidential information of eBay (and all reproductions thereof). You may retain such documents, property, and materials during the Consulting Period only to the extent approved in writing by the Associate General Counsel of eBay and you shall return them immediately upon written request. The term eBay documents and property shall not include any property owned solely by the Companies (as the term "Companies" is defined in the SPA).

**6. Proprietary Information and Non-Competition Obligations.**

(a) You hereby acknowledge and confirm your obligations under your Employee Proprietary Information and Inventions Agreement dated May 18, 1999 (the "Proprietary Information Agreement") (a copy of which is attached as Exhibit D hereto), including but not limited to, your continuing obligations not to use or disclose any confidential or proprietary information of eBay without written authorization by the Associate General Counsel of eBay, which obligations continue both during and after the Consulting Period (it being understood, however, that it shall not be deemed to be a breach of this paragraph 6(a) or Exhibit D hereto for the Companies to continue to use any such confidential or proprietary information

in the operation of their respective businesses to the extent that: (i) such information was material to, and used by, the Companies in the operation of their businesses prior to the date hereof; and (ii) such information is used after the date hereof in a manner similar to the way in which it was used prior to the date hereof). The term "Proprietary Information" as used in the Proprietary Information Agreement shall not apply to such information whose rights and interests are owned solely by the Companies.

(b) You hereby reaffirm your noncompetition obligations to eBay, as provided in Section 8 of the Employment Agreement, for the period of five (5) years following the Effective Date of this Agreement; *provided, however*, that nothing in this Agreement shall either prohibit (i) your ownership, employment or involvement in the Companies, as defined in the SPA, as long as none of the Companies engages in any business or activity prohibited by Section 8 of the Employment Agreement as modified by this paragraph 6(b); or (ii) your conducting or participating in any business or activity, including live-event offline auctions or on-line auctions, as long as: (A) neither you nor any of your affiliates, directly or indirectly, without eBay's prior approval in a writing signed by a senior executive officer of eBay (which approval may be withheld in eBay's sole discretion) facilitate the listing and/or sale, directly or indirectly, of more than ten (10) late-model (i.e., less than 10 years old) vehicles, cars, trucks, boats, watercraft, or other merchandise from the same institutional seller (e.g., any leasing company, bank, financial institution, government agency, fleet management company or organization, rental car company, or financing company, including such seller's affiliates) each month; and (B) you and each of your affiliates use eBay as your and its exclusive marketplace for (1) on-line auctions (but only to the extent that you or your affiliates in their sole and absolute discretion elect to conduct on-line auctions), (2) on-line sales (but only to the extent that you or your affiliates in their sole and absolute discretion elect to conduct on-line sales), (3) on-line vehicle-specific listings, and (4) on-line vehicle-specific advertisements, in each case including without limitation live auction Internet bidding (it being understood that: (x) nothing in clauses "(3)" or "(4)" of this sentence shall prohibit Kruse or its current affiliates (acting on their own and not with any third parties) from including on their own website vehicle-specific information or vehicle-specific advertising, in each case as long as such information or advertising relates solely to vehicles that will be sold in offline auctions; (y) information or advertising of the type contemplated by clause "(x)" of this sentence may not be included on the website of any future affiliate of Kruse without the prior written consent of eBay, which consent shall not be unreasonably delayed or withheld; and (z) if you or any of your affiliates violates any of the terms of clause "(A)" or clause "(B)" of this sentence, then all of clause "(ii)" of this sentence shall thereafter cease to have any further force or effect). For purposes of this paragraph 6, on-line means any activity conducted in an electronic or digital format with the transaction concluded wholly or in part over the Internet.

7. **Nonsolicitation.** You agree that for one (1) year following the Effective Date you will not, either directly or through others, solicit or attempt to solicit any employee, consultant, or independent contractor of eBay to terminate his or her relationship with eBay in order to become an employee, consultant or independent contractor to or for any other person or entity.

**8. Confidentiality.** The provisions of this Agreement will be held in strictest confidence by you and eBay and will not be publicized or disclosed in any manner whatsoever; *provided, however,* that: (a) you may disclose this Agreement to your immediate family; (b) the parties may disclose this Agreement in confidence to their respective attorneys, accountants, auditors, tax preparers, and financial advisors; (c) eBay may disclose this Agreement as necessary to fulfill standard or legally required corporate reporting or disclosure requirements; and (d) the parties may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, you will not disclose the provisions of this Agreement to any current or former Company employee or any other Company personnel.

**9. Nondisparagement.** Both you and eBay (by its officers and directors) agree not to disparage the other party, or the other party's officers, directors, employees, shareholders, parents, subsidiaries, affiliates, or agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation; *provided, however,* that both you and eBay shall respond accurately and fully to any question, inquiry or request for information when required by legal process.

**10. Dispute Resolution.** Unless otherwise prohibited by law or specified below, all disputes, claims and causes of action in law or equity arising from or relating to this Agreement or its enforcement, performance, breach or interpretation shall be resolved solely and exclusively as provided in Section 4.9 of the SPA.

**11. Release of Claims.** In exchange for the consulting arrangement, stock option vesting and other consideration under this Agreement to which you would not otherwise be entitled, you hereby release, acquit and forever discharge eBay, and its officers, directors, agents, servants, employees, attorneys, shareholders, successors, assigns and affiliates, of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys fees, damages, indemnities and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, arising out of or in any way related to your employment with eBay or the termination of that employment; claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in eBay, vacation pay, fringe benefits, expense reimbursements, sabbatical benefits, severance benefits, or any other form of compensation; claims pursuant to any federal, state, local law, statute or cause of action, including but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Americans with Disabilities Act of 1990; the federal Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act (the "ADEA"); the Indiana Civil Rights Law, as amended; the Indiana Age Discrimination Law, as amended; the California Fair Employment and Housing Act, as amended; tort law; contract law; wrongful discharge; discrimination; fraud; defamation; harassment; emotional distress; and breach of the implied covenant of good faith and fair dealing.

12. **ADEA Waiver.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the ADEA. You also acknowledge that the consideration given for the waiver and release in the preceding paragraph is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA, that: (a) your waiver and release do not apply to any rights or claims that arise after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement; (c) you have twenty-one (21) days to consider this Agreement (although you may choose to voluntarily sign this Agreement earlier); (d) you have seven (7) days following the date you sign this Agreement to revoke the Agreement; and (e) your release of any ADEA claims hereunder will not be effective until the date on which the revocation period has expired, which will be the eighth day after you sign this Agreement.

13. **Additional Waiver.** In granting the releases herein, you acknowledge that you understand that you are expressly waiving the benefit of all rights and benefits under: (a) California Civil Code section 1542 ("Section 1542"), which states, A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor; and/or (b) any law or legal principle of similar effect to Section 1542 in Indiana or any other jurisdiction, with respect to the release of unknown and unsuspected claims granted in this Agreement.

14. **Effective Date.** This Agreement shall be effective as of the date of the SPA ("Effective Date").

15. **Entire Agreement.** This Agreement, including Exhibits A, B, C and D hereto, constitutes the complete, final and exclusive embodiment of the entire agreement between you and eBay with regard to the subject matters hereof, and supersedes and renders void the Employment Agreement, the Welcome Letter and the Amendment, except that the following provisions shall remain in full force and effect: (a) Section 8 (Noncompetition) of the Employment Agreement, as modified herein, and (b) the following sections of the Amendment: 14(c), (d) and (e) (IRS Form 8300 Lawsuit); 18 (Noninterference with Business), as applicable to your obligations to eBay; 23 and 24. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein. It may not be modified except in a writing signed by you and the Associate General Counsel of eBay. Each party has carefully read this Agreement, has been afforded the opportunity to be advised of its meaning and consequences by his or its respective attorneys, and signed the same of his or its own free will.

16. **Successors and Assigns.** This Agreement will bind the heirs, personal representatives, successors, assigns, executors and administrators of each party, and will inure to the benefit of each party, its heirs, successors and assigns.

Mr. Dean V. Kruse  
December 18, 2002  
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17. **Applicable Law.** Except as otherwise provided in paragraph 13 above and the Proprietary Information Agreement, this Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of Indiana as applied to contracts made and to be performed entirely within Indiana.

18. **Severability.** If a court of competent jurisdiction determines that any term or provision of this Agreement is invalid or unenforceable, in whole or in part, then the remaining terms and provisions hereof will be unimpaired. The court or arbitrator will then have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision that most accurately represents the parties' intention with respect to the invalid or unenforceable term or provision.

19. **Counterparts.** This Agreement may be executed in two counterparts, each of which will be deemed an original, all of which together constitutes one and the same instrument. Facsimile signatures are as effective as original signatures.

Sincerely,

EBAY INC.

By: 

Name: Simon Rothman

Title: Vice President

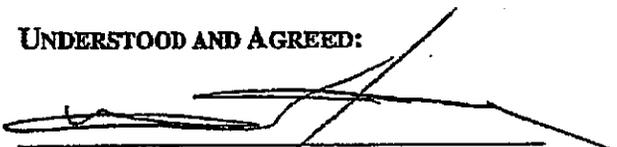
Exhibit A - Employment Agreement

Exhibit B - Welcome Letter

Exhibit C - Amendment to Employment Agreement

Exhibit D - Employee Proprietary Information and Inventions Agreement

UNDERSTOOD AND AGREED:

  
Dean V. Kruse

Date: December 18, 2002

KRU00096