

Table of Contents

Directed share program

At our request, the underwriters have reserved for sale, at our initial public offering price, up to 5.0% of the Class A common stock offered hereby (excluding any additional shares of Class A common stock to be offered by us) to our existing sellers and Square Cash customers. The sales will be made under a directed share program through the LOYAL3 Platform. The shares being made available for this program are being sold by the Start Small Foundation, a donor-advised fund held and administered by the Silicon Valley Community Foundation, the selling stockholder. The Start Small Foundation is a charitable fund created by our CEO and founder, Jack Dorsey.

Conflicts of Interest

Because J.P. Morgan Securities LLC is an underwriter in this offering and its affiliates collectively beneficially own more than 10% of our outstanding convertible preferred stock, all of which will convert into shares of Class B common stock in connection with this offering, J.P. Morgan Securities LLC is deemed to have a "conflict of interest" under Rule 5121 of Financial Industry Regulatory Authority Inc. (Rule 5121). Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121. The rule requires that a "qualified independent underwriter" meeting certain standards participate in the preparation of the registration statement and prospectus and exercise the usual standards of due diligence with respect thereto. Morgan Stanley & Co. LLC has agreed to act as a "qualified independent underwriter" within the meaning of Rule 5121 in connection with this offering. See the section titled "Underwriting (Conflicts of Interest)" for additional information.

NYSE trading symbol

"SQ"

The number of shares of our Class A and Class B common stock to be outstanding after this offering is based on no shares of our Class A common stock and 297,294,713 shares of our Class B common stock (including preferred stock on an as-converted basis) outstanding as of September 30, 2015 and excludes the following:

- 106,133,176 shares of our Class B common stock issuable upon the exercise of options to purchase shares of our Class B common stock outstanding as of September 30, 2015, with a weighted-average exercise price of \$6.95 per share;
- 100,900 shares of our Class B common stock issuable upon the vesting of restricted stock units (RSUs) outstanding as of September 30, 2015;
- 9,543,640 shares of our Class B common stock issuable upon the exercise of warrants outstanding as of September 30, 2015, with a weighted-average exercise price of \$10.92 per share;

Table of Contents

- 2,816,100 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class