

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION**

HANSEL ORREGO and JAYEON KIM,)
Derivatively on Behalf of)
GROUPON, INC.,)

Plaintiffs,)

v.)

ERIC LEFKOFSKY, PETER BARRIS,)
KEVIN EFRUSY, MELLODY)
HOBSON, BRAD KEYWELL,)
THEODORE LEONSIS, ANDREW)
MASON, HOWARD SCHULTZ,)
JOSEPH DEL PRETO, and JASON)
CHILD,)

Defendants,)

and)

GROUPON, INC.,)

Nominal Defendant)

Case No. 12 CH 12420
Consolidated with 12 CH 19431
Calendar 3

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE: GROUPON DERIVATIVE)
LITIGATION)

Master Docket No. 12-CV-5300

Hon. Andrea R. Wood

Hon. Mary M. Rowland

STIPULATION OF SETTLEMENT

This Stipulation of Settlement, dated December 2, 2016 (the “Stipulation”), is made and entered into by and among (i) plaintiffs Hansel Orrego and Jayeon Kim (the “State Court Plaintiffs”) in the consolidated action, *Orrego & Kim v. Lefkosky, et al.*, Case No.: 12 CH 12420 (Consolidated with 12 CH 19431) (Ill. Cir. Ct., Cook Cnty., Ch. Div.), individually and

derivatively on behalf of nominal defendant Groupon, Inc. (“Groupon” or the “Company”); (ii) plaintiffs Christine Lutz, Chad Martin, Theresa Monturano, Shawn Potter, Rajeev Tipnis, and Kent Wong (the “Federal Court Plaintiffs”) in the consolidated action, *In re Groupon Derivative Litigation*, No. 12-CV-5300 (N.D. Ill.), individually and derivatively on behalf of nominal defendant Groupon; (iii) defendants Peter Barris, Jason Child, Joseph Del Preto, Kevin J. Efrusy, Mellody Hobson, Bradley A. Keywell, Eric P. Lefkofsky, Theodore J. Leonsis, Andrew D. Mason, and Howard Schultz (the “Individual Defendants”); and (iv) nominal defendant Groupon. The State Court Plaintiffs and the Federal Court Plaintiffs are referred to collectively herein as “Plaintiffs.” The Individual Defendants and Groupon are collectively referred to herein as “Defendants.” Plaintiffs and Defendants are referred to collectively herein as the “Parties.” This Stipulation is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims (as defined below), subject to the terms and conditions set forth herein.

I. LITIGATION HISTORY

A. *Orrego & Kim v. Lefkosky, et al.*, Case No.: 12 CH 12420 (Consolidated with 12 CH 19431) (Ill. Cir. Ct., Cook Cnty., Ch. Div.)

On April 5, 2012, a purported derivative complaint was filed in the Chancery Division of the Circuit Court of Cook County, Illinois (the “State Court”) against certain of Groupon’s current and former directors and officers entitled *Orrego v. Lefkofsky, et al.*, No. 12 CH 12420. On May 25, 2012, another purported derivative complaint was filed in the State Court against certain of Groupon’s current and former directors and officers entitled *Kim v. Lefkosky [sic], et al.*, No. 12 CH 19431. Both cases were consolidated on July 2, 2012, and thereafter proceeded under No. 12 CH 12420 (the “State Derivative Action”).

The key allegations in the State Derivative Action include that the Individual Defendants allegedly breached their fiduciary duties by purportedly mismanaging Groupon’s business by,

among other things, failing to utilize proper accounting controls, and causing the Company to issue or make materially false and misleading statements concerning the Company's business operations and financial condition, including in financial statements filed with the Securities and Exchange Commission.

On July 5, 2012, the State Court Plaintiffs filed a motion for appointment of co-lead plaintiffs and co-lead counsel, which was granted on July 27, 2012.

On July 19, 2012, the State Court entered the Parties' agreed proposed order extending Defendants' time to respond to the State Derivative Action complaints pending resolution or withdrawal of a motion to stay the related shareholder derivative action pending in the United States Federal District Court for the Northern District of Illinois (the "Federal Court") captioned *In re Groupon Derivative Litigation*, No. 12-CV-5300 (N.D. Ill.) (the "Federal Derivative Action"). On July 31, 2012, the Federal Court granted the motion in part, staying the Federal Derivative Action pending the resolution of the motion to dismiss the related consolidated federal securities class action captioned *In re Groupon, Inc. Securities Litigation*, Master File No. 12-CV-2450 (N.D. Ill.) (the "Federal Securities Class Action").

On September 14, 2012, the State Court entered an order granting the Parties' joint request to stay the State Derivative Action pending resolution of the motion to dismiss in the Federal Securities Class Action. As a condition of entering into the stay, Defendants agreed to produce to the State Derivative Plaintiffs copies of any discovery (*e.g.*, documents and depositions) that was produced to the plaintiffs in the Federal Securities Class Action or the Federal Derivative Action during the pendency of the stay.

Following entry of the Federal Court's order denying Defendants' motion to dismiss in the Federal Securities Class Action on September 19, 2013, the Parties entered into discussions

regarding whether to extend the litigation stay currently in place. On December 6, 2013, the State Court entered an order granting the Parties' joint request to stay the State Derivative Action pending further developments in the Federal Securities Class Action, upon the same conditions related to production of discovery. The stay has remained in place throughout the pendency of the State Derivative Action since it was entered on September 14, 2012.

During the pendency of the stay, Defendants produced over 353,000 pages of discovery materials from the Federal Securities Class Action to the State Derivative Plaintiffs. Defendants have also provided State Derivative Plaintiffs with copies of all transcripts of depositions that have been taken of Defendants in the Federal Securities Class Action.

B. *In re Groupon Derivative Litigation*, No. 12-CV-5300 (N.D. Ill.)

In April and May 2012, six complaints alleging purported derivative claims were filed in Federal Court against certain of Groupon's current and former directors: *Monturano v. Lefkofsky, et al.*, No. 12-CV-2507; *Wong v. Mason, et al.*, No. 12-CV-2682; *Potter v. Mason, et al.*, No. 12-CV-3217; *Martin v. Mason, et al.*, No. 12-CV-3412; *Lutz v. Mason, et al.*, No. 12-CV-3667; and *Tipnis v. Mason, et al.*, No. 12-CV-3792. On May 30, 2012, the Federal Court entered an order consolidating the purported federal derivative actions and appointing lead plaintiff and co-lead counsel. The consolidated action was subsequently captioned *In re Groupon Derivative Litigation*, No. 12-CV-5300 (the "Federal Derivative Action"). The Federal Derivative Plaintiffs filed a consolidated complaint on July 30, 2012, which asserts claims for breach of fiduciary duty and abuse of control. The key allegations in the consolidated complaint include that the Individual Defendants breached their fiduciary duties by allegedly mismanaging Groupon's business by, among other things, failing to utilize proper accounting controls.

On June 20, 2012, Groupon and the Individual Defendants filed a motion requesting that the Federal Court stay the Federal Derivative Action pending resolution of the Federal Securities Class Action, which the Federal Court Plaintiffs opposed. On July 31, 2012, the Federal Court granted Defendants' motion in part, and stayed the Federal Derivative Action pending the Federal Court's resolution of the motion to dismiss in the Federal Securities Class Action.

On September 19, 2013, the Federal Court denied Defendants' motion to dismiss in the Federal Securities Class Action. On December 5, 2013, the Parties jointly requested to stay the Federal Derivative Action pending further developments in the Federal Securities Class Action, which the Federal Court granted on January 22, 2014. Defendants agreed to provide to the Federal Court Plaintiffs copies of the discovery produced in the Federal Securities Class Action. The stay has remained in place throughout the pendency of the Federal Derivative Action since it was entered on July 31, 2012.

Defendants provided to the Federal Derivative Plaintiffs the discovery materials and deposition transcripts generated in the Federal Securities Class Action that were provided to the State Court Plaintiffs.

II. SETTLEMENT NEGOTIATIONS

Plaintiffs in the State Derivative Action and the Federal Derivative Action, the Individual Defendants (through their counsel), and nominal defendant Groupon (collectively referred to as the "Settling Parties") participated in settlement discussions in 2015 and the beginning of 2016, which included consultations with the same mediator, Honorable Layn R. Phillips (Ret.), who assisted in reaching an agreement to settle the Federal Securities Class Action. The Settling Parties ultimately reached an agreement in principle on February 10, 2016 to collectively settle the State Derivative Action and the Federal Derivative Action (collectively, the "Actions").

III. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiffs asserted derivative claims on behalf of Groupon against the Individual Defendants for alleged breaches of their fiduciary duties and other violations of law, which allegedly caused Groupon to suffer damages and allegedly revealed deficiencies in Groupon's internal controls and corporate governance. Plaintiffs alleged that the Individual Defendants breached their fiduciary duties by, among other things, causing Groupon to issue or make materially false and misleading statements concerning Groupon's business operations and financial condition for the year ending December 31, 2011, and failing to implement necessary controls over Groupon's accounting function that ultimately required Groupon to revise its earnings in March 2012. Groupon is implementing certain corporate governance reforms and enhancing existing corporate governance processes and procedures as a result of this Settlement (as defined below), which Plaintiffs believe are tailored to address and prevent a recurrence of the alleged wrongdoing that is the subject of the Actions.

Plaintiffs' Counsel (as defined below) have taken the position that they conducted an investigation relating to the claims and the underlying events alleged in the Actions, including, but not limited to: (1) reviewing and analyzing the Company's public filings with the SEC, press releases, announcements, transcripts of investor conference calls, and news articles; (2) reviewing internal documents produced by Groupon, including more than 350,000 pages produced in the related Federal Securities Class Action, and depositions conducted in that litigation; (3) researching applicable law with respect to the claims asserted (or which could be asserted) in the action and the potential defenses thereto; (4) researching corporate governance issues; (5) attending numerous status conferences in the Actions; (6) preparing settlement demands; and (7) engaging in settlement negotiations with counsel for Defendants. In addition, Plaintiffs' Counsel drafted and served multiple complaints and status reports.

Plaintiffs' Counsel believe that the claims asserted in the Actions have merit and that their investigation supports the claims asserted. Without conceding the merit of any of Defendants' defenses or the lack of merit of any of their own allegations, and in light of the benefits of the Settlement, as well as to avoid the potentially protracted time, expense, and uncertainty associated with continued litigation, including challenges to venue, a potential trial, and appeal(s), Plaintiffs have concluded that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Plaintiffs believe that the corporate governance reforms will improve the function and process of the Groupon Board and provide enhanced oversight of risk throughout the Company by implementing a stronger risk compliance program. Plaintiffs and Plaintiffs' Counsel recognize the significant risk, expense, and length of continued proceedings necessary to prosecute the Actions against the Individual Defendants through trial and through possible appeal(s). Plaintiffs' Counsel also has taken into account the uncertain outcome and the risk of any litigation, especially complex litigation such as the Actions, as well as the difficulties and delays inherent in such litigation.

Based on these factors, and in light of the benefits Plaintiffs contend are being conferred upon the Company and its shareholders as a result of the Settlement, Plaintiffs and Plaintiffs' Counsel have determined that the Settlement is in the best interests of the Plaintiffs, Groupon, and current Groupon Shareholder (as defined below), and have agreed to settle the Actions upon the terms and subject to the conditions set forth herein.

IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants maintain that the evidence developed to date supports their position that they acted properly and in full accord with their fiduciary duties at all times and that the Actions are without merit. Defendants have denied and continue to deny each and all of the claims alleged or

asserted by Plaintiffs in the Actions. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged or asserted, or that could have been alleged or asserted, in the Actions. Defendants also deny that they have committed, threatened, or attempted to commit any violations of law, or breached any duty owed to Plaintiffs, Groupon, or its shareholders, or that Plaintiffs or the Company have suffered any damage.

Without admitting the validity of any allegations made in the Actions, or any liability with respect thereto, Defendants have concluded that it is desirable that the claims against them be settled on the terms reflected in this Stipulation. Defendants are entering into this Settlement because it will eliminate the uncertainty, distraction, disruption, burden, risk, and expense of further litigation, particularly in light of the complexity of the allegations and multiple Actions asserted. However, Defendants expressly reserve any and all rights to oppose any Fee and Expense Amount sought by Plaintiffs' Counsel.

Neither this Stipulation, nor any of its terms or provisions, nor entry of the Judgment, nor any document or exhibit referred or attached to this Stipulation, nor any action taken to carry out this Stipulation, is, may be construed as, or may be used as evidence of the validity of any of the Released Claims, as defined below, or an admission by or against Defendants of any fault, wrongdoing, or concession of liability.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the undersigned counsel for the Settling Parties herein, in consideration of the benefits flowing to the parties from the Settlement, and subject to the approval of the State Court pursuant to Illinois Code of Civil Procedure, that the claims asserted in the Actions shall be finally and fully compromised,

settled, and released, and the Actions shall be dismissed with prejudice, upon and subject to the terms and conditions of the Stipulation, as set forth below.

1. Definitions

As used in the Stipulation, the following terms have the meanings specified below:

1.1 “Actions” means the shareholder derivative actions filed in the Circuit Court of Cook County, Illinois, Chancery Division: *Orrego v. Lefkofsky, et al.*, No. 12 CH 12420, and *Kim v. Lefkosky [sic], et al.*, No. 12 CH 19431, consolidated under No. 12 CH 12420; and the shareholder derivative actions filed in the United States District Court for the Northern District of Illinois: *Monturano v. Lefkofsky, et al.*, No. 12-CV-2507; *Wong v. Mason, et al.*, No. 12-CV-2682; *Potter v. Mason, et al.*, No. 12-CV-3217; *Martin v. Mason, et al.*, No. 12-CV-3412; *Lutz v. Mason, et al.*, No. 12-CV-3667; and *Tipnis v. Mason, et al.*, No. 12-CV-3792, consolidated under *In re Groupon Derivative Litigation*, No. 12-CV-5300.

1.2 “Groupon” or the “Company” means nominal defendant Groupon, Inc., a Delaware corporation, including, but not limited to, its predecessors, successors, controlling shareholders, partners, employees, agents, attorneys, joint ventures, subsidiaries, affiliates, divisions and assigns.

1.3 “Groupon Shareholder” means any Person who owned Groupon common stock during the pendency of any of the Actions, and who continues to hold such Groupon common stock as of the date of the Settlement Hearing, excluding the Individual Defendants, the officers and directors of Groupon, members of their respective immediate families, and their legal representatives, heirs, successors, or assigns, and any entity in which any Individual Defendant and his or her immediate family have or had a controlling interest or otherwise manage or managed such entity.

1.4 “Defendants” means, collectively, nominal defendant Groupon and the Individual Defendants.

1.5 “Effective Date” means the date by which the events and conditions specified in Paragraph 6.1 of the Stipulation have been met and have occurred.

1.6 “Federal Court” means the court presiding over the Federal Derivative Action – the United States District Court for the Northern District of Illinois.

1.7 “Federal Securities Class Action” means the action captioned *In re Groupon Securities Litigation*, No. 12-CV-2450, pending in the United States District Court for the Northern District of Illinois.

1.8 “Fee and Expense Amount” means the attorneys’ fees and reimbursement of expenses awarded by the State Court that Groupon or its insurers shall cause to be paid to Plaintiffs’ Counsel.

1.9 “Final” means the date upon which the last of the following shall occur with respect to the Judgment finally approving the Settlement set forth in this Stipulation and dismissing the Actions with prejudice, substantially in the form of Exhibit D attached hereto: (1) the expiration of the time to file a notice of appeal from the Judgment; (2) if an appeal has been filed, the Illinois Appellate Court has either affirmed the Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; and (3) if a higher court has granted further appellate review, that court has either affirmed the underlying Judgment or affirmed the Illinois Appellate Court’s decision affirming the Judgment or dismissing the appeal.

1.10 “Individual Defendants” means Peter Barris, Jason Child, Joseph Del Preto, Kevin J. Efrusy, Mellody Hobson, Bradley A. Keywell, Eric P. Lefkofsky, Theodore J. Leonsis, Andrew D. Mason, and Howard Schultz.

1.11 “Judgment” means the Order and Final Judgment to be rendered by the State Court, substantially in the form attached hereto as Exhibit D.

1.12 “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government, or any political subdivision or agency thereof and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.13 “Plaintiffs” means State Court Plaintiffs, Hansel Orrego and Jayeon Kim, and Federal Court Plaintiffs, Theresa Monturano, Kent Wong, Shawn Potter, Chad Martin, Christine Lutz, and Rajeev Tipnis, individually and derivatively on behalf of nominal defendant Groupon.

1.14 “Plaintiffs’ Counsel” means counsel for the State Court Plaintiffs: Kahn Swick & Foti, LLC, Heffner & Hurst, Johnson & Weaver, LLP, and Quantum Legal LLC; and counsel for the Federal Court Plaintiffs: Wolf Haldenstein Adler Freeman & Herz LLC, Harwood Feffer LLP, and Miller Law LLC.

1.15 “Related Persons” means each of a Defendant’s past or present agents, officers, directors, employees, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, spouses, immediate family members, heirs, executors, personal and legal representatives, estates, administrators, trusts, predecessors, successors, and assigns or other individual or entity in which any Individual Defendant or Groupon has a controlling interest, or a 50% beneficial interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, re-insurers, heirs, executors, personal and legal representatives, estates, administrators, trusts, predecessors, successors, and assigns.

1.16 “Released Claims” shall collectively mean any and all claims for relief (including “Unknown Claims” as defined below), rights, demands, causes of action, liabilities, debts, obligations, matters, issues and suits of every nature and description whatsoever, including without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud or breach of fiduciary duty, abuse of control or corporate waste, or violations of any state or federal statute, rule or regulation, whether known or unknown, contingent or absolute, matured or unmatured, discoverable or undiscoverable, whether or not concealed or hidden, whether based on federal, state, local, statutory, foreign or common law or any other law, rule, or regulation, including Unknown Claims, that have been alleged or asserted or could have been alleged or asserted in any pleading or forum by Plaintiffs, or any other shareholder of Groupon, individually or derivatively on behalf of Groupon against any Released Person arising from or relating to (1) the claims, facts, events, transactions, acts, disclosures, statements, alleged omissions or failures to act, or any other circumstance alleged, set forth, or referred to by Plaintiffs in the Actions, or (2) the settlement of the Actions. Excluded from the term “Released Claims” are all claims, rights, causes of action, or liabilities whatsoever related to the enforcement of the Settlement, including, without limitation, any of the terms of this Stipulation or orders or judgments issued by the courts in connection with this Settlement.

1.17 “Released Persons” means collectively, each and all of the Defendants and their Related Persons. “Released Person” means, individually, any of the Released Persons.

1.18 “Releasing Parties” means Plaintiffs (both individually and derivatively on behalf of Groupon), any other Groupon Shareholder (solely in his or her or its capacity as a Groupon Shareholder), and Plaintiffs’ Counsel. “Releasing Party” means, individually, any of the Releasing Parties.

1.19 “Settlement” means the settlement and compromise of the Actions as provided for in this Stipulation.

1.20 “Settlement Hearing” means the hearing or hearings at which the State Court will review the adequacy, fairness, and reasonableness of the Settlement.

1.21 “Settling Parties” means, collectively, each and all of the Plaintiffs (on behalf of themselves and derivatively on behalf of Groupon and its shareholders), and Defendants. “Settling Party” means, individually, any of the Settling Parties.

1.22 “State Court” means the court presiding over the State Derivative Action - the Circuit Court of Cook County, Chancery Division, The Honorable Franklin U. Valderrama, presiding.

1.23 “Unknown Claims” means any Released Claims which any Releasing Party does not know of or suspect to exist in his, her, or its favor at the time of the release of the Released Persons including claims which, if known by him, her, or it might have affected his, her, or its settlement with and release of the Released Persons or might have affected his, her, or its decision whether to object to this settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive, and each Groupon Shareholder shall be deemed to have and by operation of the Judgment shall have expressly waived, the provisions, rights, and benefits conferred by or under California Civil Code § 1542, or any other law of the United States or any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties acknowledge that they and any Groupon Shareholder may hereafter discover facts in addition to or different from those now known or believed to be true by them, with respect

to the subject matter of the Released Claims, but it is the intention of the Settling Parties that they and all Groupon Shareholders shall be deemed to and by operation of the Judgment shall, completely, fully, finally, and forever compromise, settle, release, discharge, and extinguish any and all Released Claims, known or unknown, suspect or unsuspected, contingent or absolute, accrued or unaccrued, apparent or unapparent, which do now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. The Settling Parties acknowledge that the foregoing waiver was separately bargained for and is a key element of the Stipulation of which this release is a part.

2. Terms of the Settlement

2.1 The benefits of the Settlement include corporate governance changes, releases to Groupon and the Individual Defendants, and dismissal with prejudice of the Actions.

2.2 Corporate Governance Changes. Groupon shall, within one hundred twenty (120) calendar days after the Judgment becomes Final, implement the corporate governance terms set forth in Exhibit A attached hereto (unless such terms shall have already been implemented).

3. Approval and Notice

3.1 Promptly after execution of the Stipulation, Plaintiffs shall submit the Stipulation, together with its exhibits, to the State Court and shall apply for entry of an order (the “Preliminary Approval Order”), substantially in the form of Exhibit B attached hereto, requesting: (i) preliminary approval of the Settlement set forth in the Stipulation; (ii) approval of the form and manner of providing notice of the Settlement to Groupon Shareholders; and (iii) a date for the Settlement Hearing.

3.2 Within ten (10) business days after filing of the Stipulation and application for entry of the Preliminary Approval Order with the State Court, Plaintiffs’ Counsel for the Federal Derivative Plaintiffs shall file an Agreed Order with the Federal Court stating that: (i) the case has

been settled; (ii) the motion for preliminary approval and notice have been filed in the State Court; (iii) upon entry of the Judgment by the State Court, the parties will file an Agreed Motion for Voluntary Dismissal with Prejudice of the Federal Action; and (iv) the stay of proceedings in the Federal Court will continue unless and until (subject to Paragraph 6.1) the Stipulation is in any way cancelled or terminated. Within ten (10) days after the final entry of the Judgment by the State Court, Federal Derivative Plaintiffs will file an Agreed Motion for Voluntary Dismissal with Prejudice and Proposed Agreed Order in the Federal Derivative Action substantially in the form attached as Exhibit E. Plaintiffs agree to use their best efforts and to take any and all actions reasonably necessary to ensure the entry of the Judgment in the State Derivative Action and the Proposed Agreed Order in the Federal Derivative Action or otherwise facilitate, effectuate, and ensure the dismissal with prejudice of the State Derivative Action and the Federal Derivative Action, including without limitation executing any motion, notice or other filing that is required or requested by the State Court and the Federal Court, in accordance with, and subject to, this Paragraph.

3.3 Notice to Groupon Shareholders shall consist of a Notice of Pendency and Proposed Settlement of Shareholder Derivative Actions (“Notice”), which includes the general terms of the Settlement set forth in the Stipulation and the date of the Settlement Hearing, substantially in the form attached hereto as Exhibit C.

3.4 Within fifteen (15) calendar days after entry of the Preliminary Approval Order, (i) Defendants shall cause the Notice substantially in the form attached hereto to be published once in the *Investor’s Business Daily*, the costs of which Notice shall be borne by Defendants; (ii) Groupon shall file a Form 8-K which includes the Notice; (iii) Groupon shall post the Notice, this Stipulation, and Exhibit A to the Stipulation on the Company’s Investor Relations

page of its website, until the Court's Order and Final Judgment is entered; and (iv) Plaintiffs' Counsel shall post copies of the Notice on their respective websites.

3.5 If additional notice is required by the State Court, then any costs incurred in connection with such additional notice shall be borne by Defendants. If additional notice is requested by Plaintiffs or Defendants, then any costs incurred in connection with such additional notice shall be borne by the party requesting the additional notice. The Settling Parties believe the content and manner of the Notice, as set forth in the above Paragraph, constitutes adequate and reasonable notice to Groupon Shareholders pursuant to applicable law and due process. At least seven (7) calendar days prior to the Settlement Hearing, Plaintiffs' Counsel and Groupon shall serve each other and file with the State Court appropriate acknowledgements with respect to the publication and posting of the Notice.

3.6 Pending the State Court's determination as to final approval of the Settlement, Plaintiffs and Plaintiffs' Counsel, and all other persons are barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement or prosecution of any action asserting any Released Claim against any of the Released Persons.

4. Attorneys' Fees and Reimbursement of Expenses

4.1 Plaintiffs' Counsel intend to apply to the State Court for entry of an award of a Fee and Expense Amount in connection with the Actions. Defendants agree that Plaintiffs and their counsel in the Actions are entitled to an award of reasonable attorneys' fees and expenses, and the Parties agree to negotiate in good faith regarding a Fee and Expense Amount that would avoid a contested application, but Defendants otherwise expressly reserve any and all rights to oppose any Fee and Expense Amount sought by Plaintiffs' Counsel. Payment of the Fee and Expense Amount awarded by the State Court shall constitute final and complete payment for Plaintiffs and the attorneys' fees and expenses that have been incurred or will be incurred in

connection with any claims asserted, or which could have been asserted, in the Actions, any other proceeding or any Released Claims, and this Settlement.

4.2 Any Fee and Expense Amount shall be paid within ten (10) business days following the latter of (a) entry of the State Court's order awarding such Fee and Expense Amount to Plaintiffs' Counsel; and (b) Plaintiffs' Counsel providing to Defendants' counsel a Form W-9 and wire instructions to the escrow account jointly established by counsel in the State Derivative Action and the Federal Derivative Action. The Fee and Expense Amount shall not be released to Plaintiffs' Counsel until the Effective Date. In the event that the Settlement does not become Final or is set aside for any reason prior to the Effective Date, Plaintiffs' Counsel shall within ten (10) business days return to Defendants the Fee and Expense Amount, including any incentive amount pursuant to Paragraph 4.4, whether or not paid out. Plaintiffs' Counsel and their partners and/or shareholders are subject to the jurisdiction of the State Court for the purpose of enforcing the provisions of this Paragraph 4.

4.3 The Fee and Expense Amount shall be allocated amongst Plaintiffs' Counsel for the Actions as agreed by Plaintiffs' Counsel. Defendants have no responsibility for, and no liability whatsoever with respect to, the allocation or distribution of the Fee and Expense Amount among Plaintiffs' Counsel and/or to any other Person who may assert some claim thereto.

4.4 Plaintiffs' Counsel may also submit an application to the State Court for the awarding of an incentive amount of up to \$2,500 for Plaintiffs to be paid from exclusively the Fee and Expense Amount as may be awarded by the State Court. Neither Groupon nor the Individual Defendants, nor any of their insurers shall have any obligation to pay or cause to be paid any incentive amount or any portion thereof.

4.5 Except as expressly provided herein, the parties shall bear their own fees, costs, and expenses.

5. Releases

5.1 Upon the Effective Date, the Releasing Parties shall be deemed to have fully, finally, and forever released, relinquished, and discharged the Released Claims (including Unknown Claims) against the Released Persons and any and all claims arising out of, relating to, or in connection with the defense, settlement, or resolution of the Actions against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

5.2 Upon the Effective Date, each of the Defendants shall be deemed to have fully, finally, and forever released, relinquished, and discharged Plaintiffs and Plaintiffs' Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Actions or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

6. Conditions of Settlement; Effect of Disapproval, Cancellation, or Termination

6.1 The Effective Date of this Stipulation shall be conditioned on the occurrence of all of the following events:

(a) preliminary approval of the Settlement and approval of the method of providing the Notice to Groupon Shareholders by the State Court;

(b) dissemination of the Notice to Groupon Shareholders, as set forth in Paragraphs 3.3-3.5;

(c) entry of the Judgment, in all material respects in the form set forth as Exhibit D annexed hereto, approving the Settlement without awarding costs to any party, except as provided herein;

(d) payment of the Fee and Expense Amount, if any, awarded by the State Court;

(e) dismissal with prejudice of the Actions, and expiration of the time to file a notice of appeal from the Judgment or, if any appeal has been filed, a final affirmation by the relevant court of review affirming the Judgment; and

(f) the Judgment becoming Final, as defined in Paragraph 1.9.

6.2 If any of the conditions specified above in Paragraph 6.1 are not met, then the Stipulation shall be canceled and terminated subject to Paragraph 6.3, unless counsel for the Settling Parties mutually agree in writing to proceed with the Stipulation. The failure of the State Court to approve the Fee and Expense Amount, in whole or in part, shall have no effect on the Settlement set forth in the Stipulation.

6.3 If for any reason the Effective Date of the Stipulation does not occur, or if the Stipulation is in any way canceled, terminated, or fails to become Final in accordance with its terms: (a) all Settling Parties and Released Persons shall be restored to their respective positions in the Actions as of the date of the execution of this Stipulation; (b) all releases delivered in connection with the Stipulation shall be null and void, except as otherwise provided for in the Stipulation; (c) the Fee and Expense Amount shall be returned to Defendants within ten (10) business days, as provided in Paragraph 4.2; and (e) all negotiations, proceedings, documents prepared, and statements made in connection herewith shall be without prejudice to the Settling Parties, shall not be deemed or construed to be an admission by a Settling Party of any act, matter, or proposition, and shall not be used in any manner for any purpose in any subsequent proceeding in any other action or proceeding. In such event, the terms and provisions of the Stipulation shall have no further force and effect with respect to the Settling Parties and shall not be used in the Actions or in any other proceeding for any purpose.

7. Miscellaneous Provisions

7.1 The Settling Parties: (i) acknowledge that it is their intent to consummate this Stipulation; and (ii) agree to act in good faith and cooperate to take all reasonable and necessary steps to expeditiously implement the terms and conditions of the Stipulation.

7.2 Plaintiffs and Plaintiffs' Counsel agree not to disparage the Individual Defendants or Groupon. Moreover, the Settling Parties shall mutually agree upon the language and timing of any press release, announcement, response to press inquiries, reports to legal publications, or any other public statement regarding the resolution of this matter. This paragraph shall not apply to any State Court-approved notice, Groupon regulatory filings, or statement made to the State Court at a hearing or in motion papers.

7.3 The Settling Parties intend this Settlement to be a final and complete resolution of all disputes between them with respect to the Actions. The Settlement compromises claims that are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim, allegation, or defense. The Settling Parties and their respective counsel agree that at all times during the course of the litigation, each has complied with the requirements of the applicable laws and rules of the State Court and Federal Court.

7.4 The Stipulation may be modified or amended only by a writing signed by the signatories hereto.

7.5 The Stipulation shall be deemed drafted equally by all parties hereto.

7.6 No representations, warranties, or inducements have been made to any of the parties concerning the Stipulation or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.

7.7 Each counsel or other Person executing the Stipulation or its exhibits on behalf of any of the Settling Parties hereby warrants that such Person has the full authority to do so.

7.8 The exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

7.9 This Stipulation and the exhibits attached hereto constitute the entire agreement among the Settling Parties with respect to the subject matter hereof and supersede all prior and contemporaneous oral and written agreements and discussions.

7.10 In the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit hereto, the terms of this Stipulation shall prevail.

7.11 The Stipulation may be executed in one or more counterparts, including by signature transmitted by facsimile or e-mailed .pdf files. Each counterpart, when so executed, shall be deemed to be an original, and all such counterparts together shall constitute the same instrument.

7.12 The rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Delaware, Groupon's state of incorporation, without giving effect to that State's choice of law principles.

7.13 The State Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and the Settling Parties and their counsel submit to the jurisdiction of the State Court solely for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

IN WITNESS WHEREOF, the Parties have caused this Stipulation, dated as of December 2, 2016, to be executed by their duly authorized attorneys.

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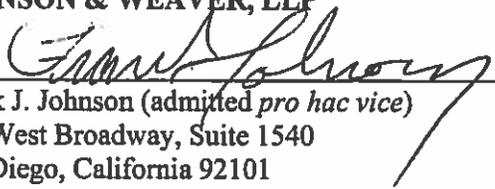
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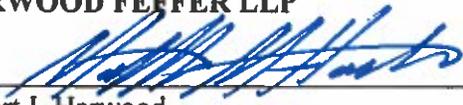
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