



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

WENDY LEE, individually and on )  
behalf of all others similarly situated, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
MARK PINCUS, JOHN SCHAPPERT, )  
WILLIAM GORDON, REID )  
HOFFMAN, JEFFREY )  
KATZENBERG, STANLEY J. )  
MERESMAN, SUNIL PAUL, OWEN )  
VAN NATTA, MORGAN STANLEY )  
& CO. LLC, GOLDMAN, SACHS & )  
CO., and ZYNGA INC., )  
 )  
Defendants. )

C.A. No. 8458-CB

**ORDER AND FINAL JUDGMENT**

A hearing having been held before this Court on the 27<sup>th</sup> day of March, 2017, to determine whether the terms and conditions of the Stipulation and Agreement of Compromise, Settlement, and Release dated December 14, 2016 (the “Stipulation”), which is incorporated herein by reference,<sup>1</sup> and the terms and conditions of the settlement proposed in the Stipulation (the “Settlement”), are fair, reasonable, and adequate for the settlement and compromise of all Released Claims (defined below) that were or could have been asserted in the above-

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<sup>1</sup> Capitalized terms (other than proper nouns) that are not defined herein shall have the meanings set forth in the Stipulation.

captioned stockholder class action (the “Action”); and whether an order and final judgment should be entered in the Action; and the Court having considered all matters submitted to it at the hearing and otherwise and for the reasons stated herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The mailing of the Notice of Proposed Settlement of Class Action (the “Settlement Notice”) pursuant to and in the manner prescribed in the Scheduling Order entered on December 20, 2016 (the “Scheduling Order”), which was done by first class mail on January 20, 2017, is hereby determined to be the best notice practicable under the circumstances and in full compliance with Rule 23 of the Rules of the Court of Chancery, the requirements of due process, and applicable law. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Class Members. It is further determined that all members of the Class (defined below), with the exception of those Persons listed in Exhibit A hereto (which consists of Persons who requested exclusion from the Class pursuant to the Class Notice or the Settlement Notice), are bound by this Order and Final Judgment (this “Judgment”).

2. The Court confirms that the Action is a proper class action pursuant to Rules 23(a) and 23(b)(3) of the Rules of the Court of Chancery and confirms its prior Order entered December 30, 2015, certifying a Class consisting of:

all stockholders of Zynga, Inc. (“Zynga”) who were subject to certain lockup restrictions on their shares of Zynga (the “Lockups”), and who were not permitted to sell shares in an April 2012 secondary offering (the “Secondary Offering”), including stockholders for whom the Lockups were waived, but who were barred from selling in or at the time of the Secondary Offering by Zynga’s trading blackout policy (the “Blackout Policy”), and excluding defendants and any person, firm, trust, corporation, or other entity related to or affiliated with any defendant.

3. The Settlement of the Action as provided for in the Stipulation is hereby adjudged to be fair, reasonable, and adequate, and in the best interests of Plaintiff and the Class, and Class Counsel have adequately represented the Class.

4. The Parties to the Stipulation are hereby authorized and directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation, and the Register in Chancery is directed to enter and docket this Judgment.

5. “Claims” means, collectively, any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, fines, sanctions, fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of every kind, nature or description whatsoever, for damages, injunctive relief, or any other

remedies, whether disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, known or unknown, discoverable or undiscoverable, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, which now exist, or previously existed, including Unknown Claims, whether direct, individual, class, representative, legal, equitable, or of any other type, or in any other capacity, whether based on state, local, foreign, federal, statutory, regulatory, common or other law or rule (including, without limitation, any claims under federal or state securities law, federal or state antitrust law, or under state disclosure law, and all claims within the exclusive jurisdiction of the federal courts) regardless of legal or equitable theory (including, without limitation, claims for negligence, gross negligence, recklessness, deliberate recklessness, intentional wrongdoing, fraud, breach of contract, or breach of the fiduciary duty of care and/or loyalty).

6. “Released Defendant Claims” means any Claims that have been or could have been asserted in the Action or in any court, tribunal, forum, or proceeding by the Director Defendants, Zynga, or any of them or their respective successors and assigns against any of the Released Plaintiff Parties, which arise out of or relate in any way to the institution, prosecution, settlement, or dismissal of the Action; provided, however, that the Released Defendant Claims shall not include claims to enforce the Stipulation.

7. “Released Plaintiff Claims” means any and all Claims that Plaintiff or any other Class Member (i) asserted in the Action or (ii) could have or might have asserted in the Action and/or in any other litigation, action or forum that arise out of, are based upon, or are related in any way, directly or indirectly, in whole or in part, to the allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Action including, without limitation, the Secondary Offering, the negotiation, consummation or underwriting of the Secondary Offering, or any sales of stock made pursuant to the Secondary Offering. Released Plaintiff Claims shall not, however, include (i) any claims to enforce the Settlement, this Judgment, or the Stipulation, including, without limitation, the Releases and (ii) claims asserted on behalf of Zynga in (a) the consolidated stockholder derivative action pending in the United States District Court for the Northern District of California, entitled *In re Zynga Inc. Derivative Litigation*, Lead Case No. 12-CV-4327-JSC; (b) a consolidated stockholder derivative action pending in the Superior Court of the State of California, County of San Francisco, entitled *In re Zynga Shareholder Derivative Litigation*, Lead Case No. CGC-12-522934; or (c) the stockholder derivative action pending before this Court entitled *Sandys v. Pincus*, Del. Ch., C.A. No. 9512-CB.

8. “Released Parties” means collectively each and all of the Released Defendant Parties and each and all of the Released Plaintiff Parties.

9. “Released Defendant Parties” means (i) the Director Defendants and the Non Selling Directors, and the Immediate Family of each Director Defendant and Non Selling Director; (ii) for each Person listed in item (i), any entity in which he or she has or had a financial interest (directly or indirectly), any estate or trust of which he or she is a settlor or which is for the benefit of him or her; (iii) Zynga, Morgan Stanley, Goldman, and each member of the Secondary Offering underwriter syndicate, and all of their respective parents, subsidiaries, affiliates, successors and assignees, in their respective capacities as such; and (iv) for each and every Person listed in items (i) through (iii), their respective past, present and future heirs, executors, administrators, predecessors, successors, employees, agents, affiliates, analysts, assignees, associates, attorneys, auditors, co-insurers, commercial bank lenders, consultants, controlling shareholders, directors, divisions, domestic partners, employers, financial advisors, general or limited partners, general or limited partnerships, insurers, investment advisors, investment bankers, investment banks, investment funds, joint ventures and joint venturers, managers, managing directors, marital communities, members, officers, parents, personnel, or legal representatives, principals, reinsurers, shareholders, spouses, subsidiaries (foreign or domestic), trustees, underwriters and retained professionals, in their respective capacities as such.

10. “Released Plaintiff Parties” means Plaintiff, all other Class Members, and their respective counsel (including Class Counsel).

11. “Immediate Family” means an individual’s spouse, parents, siblings, children, grandparents, grandchildren; the spouses of his or her parents, siblings, and children; and the parents and siblings of his or her spouse, and includes step and adoptive relationships. As used in this paragraph, “spouse” shall include a partner in a state-recognized domestic relationship or civil union.

12. “Releases” means the releases and liability protections set forth in Paragraphs 15 and 16 of this Judgment.

13. “Unknown Claims” means any and all Released Plaintiff Claims which Plaintiff or any other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Claims against the Released Defendant Parties, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement, and any and all Released Defendant Claims which any Director Defendant or any other Released Party does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Claims against the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Plaintiff Claims and Released Defendant Claims, pursuant to the Stipulation, the Parties

have stipulated and agreed that upon the Effective Date, Plaintiff, the Director Defendants, and Zynga shall have expressly waived, and each of the Class Members shall be deemed to have, and by operation of this Judgment shall have expressly, waived, relinquished, and released any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code § 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.

Pursuant to the Stipulation, Plaintiff, the Director Defendants, and Zynga have acknowledged, and the other Class Members by operation of law shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Plaintiff Claims and the Released Defendant Claims, but that it is the intention of Plaintiff, the Director Defendants, and Zynga to, and by operation of law the other Class Members shall, completely, fully, finally, and forever extinguish any and all Released Plaintiff Claims and Released Defendant Claims, known or unknown, suspected or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery of additional or different facts. Pursuant to the Stipulation, Plaintiff, and the Director Defendants, and



Zynga have acknowledged, and the other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Plaintiff Claims and Released Defendant Claims was separately bargained for and was a key element of the Settlement.

14. The Action is hereby dismissed with prejudice, on the merits, and without costs (except as provided in the Stipulation).

15. Upon the Effective Date, Plaintiff, and all Class Members, on behalf of themselves, their legal representatives, heirs, executors, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall thereupon fully, finally, and forever, release, settle, and discharge the Released Defendant Parties from and with respect to every one of the Released Plaintiff Claims, and shall thereupon be forever barred and enjoined from commencing, instituting, or prosecuting any Released Plaintiff Claims against any of the Released Defendant Parties.

16. Upon the Effective Date, each of the Director Defendants and Zynga, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall thereupon fully, finally, and forever, release, settle, and discharge the Released Plaintiff Parties from and with respect to every one of the Released Defendant Claims, and shall thereupon be forever barred and enjoined

from commencing, instituting, or prosecuting any of the Released Defendant Claims against any of the Released Plaintiff Parties.

17. Neither the Stipulation, nor the fact or any terms of the Settlement, nor any communications relating thereto, shall be deemed evidence, or an admission or concession by any Party or their counsel, Class Member, or any other Released Defendant Party or Released Plaintiff Party, of any fault, liability, or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or as to the validity or merit of any of the claims or defenses alleged or asserted in the Action. The Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Action, any wrongdoing by any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party, or any damages or injury to any Party, Class Member, or other Released Defendant Party or Released Plaintiff Party. Neither the Stipulation, nor any of the terms and provisions of the Stipulation, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statements in connection therewith, (a) shall (i) be argued to be, used, or construed as, offered, or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury, or damages, or of any wrongful conduct,

acts, or omissions on the part of any of the Released Defendant Parties or Released Plaintiff Parties, or of any infirmity of any defense, or of any damage to Plaintiff or any other Class Member, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Released Defendant Parties or Released Plaintiff Parties concerning any fact or any purported liability, fault, or wrongdoing of the Released Defendant Parties or Released Plaintiff Parties or any injury or damages to any person or entity; or (b) shall otherwise be admissible, referred to, or used in any proceeding of any nature, for any purpose whatsoever; *provided, however*, that the Stipulation and/or this Judgment may be introduced in any proceeding, whether in the Court or otherwise, as may be necessary to argue and establish that the Stipulation and/or this Judgment has *res judicata*, collateral estoppel, or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and/or this Judgment or to secure any insurance rights or proceeds of any of the Released Defendant Parties or Released Plaintiff Parties.

18. The Plan of Allocation, as set forth in the Settlement Notice, is hereby adjudged to be fair and reasonable as to all Class Members.

19. Class Counsel are hereby awarded attorneys' fees in the sum of \$ 2,350,000. <sup>XX</sup> in connection with the Action, which sum the Court finds to be fair and reasonable, and are further granted reimbursement of Litigation Expenses in the amount of \$ 11. Plaintiff is hereby awarded a

compensatory award in the amount of \$ 20,000.<sup>xx</sup>. Such sums shall be paid pursuant to the provisions of the Stipulation. Neither Plaintiff nor Class Counsel nor counsel representing any Class Member shall make any further or additional application for fees or expenses to this or any other court in connection with the Released Plaintiff Claims. Neither any Director Defendant nor Zynga shall bear responsibility for paying the Fee and Expense Award. The Director Defendants, Zynga, and Released Defendant Parties shall bear no other expenses, costs, damages, or fees alleged or incurred by Plaintiff or by any Class Member, or by any of their attorneys, experts, advisors, agents, or representatives, and the Director Defendants, Zynga, and Released Defendant Parties shall have no responsibility for, and no liability with respect to, the fee and/or expense allocation among Class Counsel and/or any other person who may assert any claim thereto.

20. If the Effective Date does not occur, this Judgment shall be rendered null and void and shall be vacated and all of the Parties shall be deemed to have reverted to their respective litigation status immediately prior to September 28, 2016, and they shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered, and in that event all of their respective claims and defenses as to any issue in the Action shall be preserved without prejudice and all funds paid into the Settlement Fund (other than administrative fees and expenses already expended, including Notice and

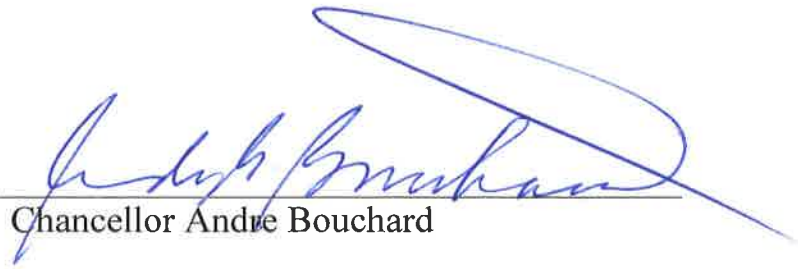
Administration Costs) shall revert back to the contributor(s) of such funds; *provided, however*, that Paragraph 23 of the Stipulation shall remain in full effect.

21. The binding effect of this Judgment and the obligations of the Parties under the Settlement shall not be conditioned upon or subject to the resolution of any appeal from this Judgment that relates solely to the issue of Class Counsel's application for an award of attorneys' fees and expenses.

22. No person shall have any claim against Plaintiff, Class Counsel, the Settlement Administrator, or any other agent designated by Class Counsel, which arises from or relates to distributions made substantially in accordance with the Stipulation, the Plan of Allocation, or further orders of the Court.

23. Without further order of this Court, the Parties may agree in writing to reasonable extensions of time to carry out any of the provisions of the Stipulation.

24. Without affecting the finality of this Judgment in any way, this Court reserves jurisdiction over all matters relating to the administration and consummation of the Settlement including (a) to allow, disallow, or adjust on equitable grounds the claim of any Class Member; or (b) to modify the Plan of Allocation without further notice to Class Members. Any Court orders regarding a modification of the Plan of Allocation will be posted on a dedicated website established for the Settlement maintained by the Settlement Administrator.



Chancellor Andre Bouchard

Dated: March 27, 2017

**EXHIBIT A**

**PERSONS EXCLUDED FROM THE CLASS**

<b>Name</b>	<b>Shares Excluded</b>
Susan Sherman	17,000
Danielle Dudeck	84,554
Renee T. Lawson	27,144
Devang Shah	24,191