

Groupon, Inc.
Form DEF 14A
April 27, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Groupon, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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2018 PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Groupon, Inc. will be held at 10:00 a.m. Central Time on June 14, 2018 at
Winston & Strawn LLP
35 West Wacker Drive
Chicago, Illinois 60601

Dear Stockholder:

I am pleased to invite you to attend the Annual Meeting of Stockholders (the "Annual Meeting") of Groupon, Inc. (the "Company" or "Groupon"), which will be held at Winston & Strawn LLP, 35 West Wacker Drive, Chicago, Illinois 60601 on June 14, 2018 at 10:00 a.m. Central Time. Doors will open at 9:30 a.m. Central Time.

The attached Notice of Annual Meeting of Stockholders and proxy statement contain details of the business to be conducted at the Annual Meeting.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy via the Internet, by phone, or by signing, dating and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

We urge you to read the accompanying proxy statement carefully and to vote "FOR" the director nominees proposed by the Board of Directors, "FOR" the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2018, "FOR" the advisory approval of our Named Executive Officer compensation in accordance with the recommendations of the Board of Directors, and for an advisory vote to approve our executive compensation every "ONE YEAR."

On behalf of the Board of Directors, I would like to express our appreciation for your interest in Groupon.

Sincerely,

Eric Lefkofsky
Chairman of the Board

GROUPON, INC.

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

Time and Date June 14, 2018 at 10:00 a.m. Central Time

Place Winston & Strawn LLP, 35 West Wacker Drive, Chicago, Illinois 60601

- Items of Business
1. To elect nine directors from the nominees named in this proxy statement.
 2. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2018.
 3. To conduct an advisory vote to approve our Named Executive Officer (as hereinafter defined) compensation, as described in this proxy statement.
 4. To conduct an advisory vote on the frequency of future advisory votes on the compensation of our Named Executive Officers (i.e., once every one, two, or three years).
 5. To transact other business that may properly come before the Annual Meeting.

Record Date April 20, 2018 (the "Record Date"). Only stockholders of record at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Annual Meeting.

Proxy Voting **IMPORTANT**

Please vote your shares at your earliest convenience. This will ensure the presence of a quorum at the Annual Meeting. Promptly voting your shares via the Internet, by telephone, or by signing, dating, and returning the enclosed proxy card will save the expenses and efforts of additional solicitation. If you wish to vote by mail, we have enclosed an addressed envelope, postage prepaid if mailed in the United States. Submitting your proxy now will not prevent you from voting your shares in person at the Annual Meeting, as your proxy is revocable at your option as described in the proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on June 14, 2018. We are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. By doing so, we save costs and reduce the environmental impact of our Annual Meeting. We will mail a Notice of Internet Availability of Proxy Materials to certain of our stockholders. This Notice contains instructions about how to access our proxy materials and vote online or vote by telephone. If you would like to receive a paper copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. If you previously chose to receive our proxy materials electronically, you will continue to receive access to these materials via e-mail unless you elect otherwise.

By order of the Board of Directors,
Dane Drobny

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General Counsel and Corporate Secretary

Chicago, Illinois

April 27, 2018

The date of this proxy statement is April 27, 2018, and it is first being delivered to stockholders on or about April 30, 2018.

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OTHER MATTERS

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Date and Time June 14, 2018, 10:00 a.m. Central Time

Place Winston & Strawn LLP, 35 West Wacker Drive, Chicago, Illinois 60601

Record Date April 20, 2018

Voting Stockholders as of the close of business on the Record Date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

Admission If you are a record holder, you must provide identification, and if you hold your shares through a broker, bank or other nominee, you must also provide proof of ownership.

Meeting Agenda

• Elect nine directors. Our Board of Directors ("Board") unanimously recommends a vote "FOR" the election of all nine director nominees.

• Ratify Deloitte & Touche LLP ("Deloitte") as our independent registered public accounting firm for fiscal year 2018. Our Board unanimously recommends a vote "FOR" the ratification of Deloitte & Touche LLP as the Company's independent registered public accounting firm for fiscal year 2018.

• Conduct an advisory vote to approve our Named Executive Officer compensation. Our Board unanimously recommends a vote "FOR" the advisory approval of our Named Executive Officer compensation.

• Conduct an advisory vote on the frequency of future advisory votes to approve our Named Executive Officer compensation. Our Board unanimously recommends a vote for an advisory vote to approve our executive compensation every "ONE YEAR."

• Transact other business that may properly come before the meeting.

Our Director Nominees

The following table provides summary information about each director nominee. Each director is elected annually by a plurality of votes cast.

Name	Age	Director Since	Position	Independent	Other Public Boards
Rich Williams	43	2015	Chief Executive Officer and Director	No	0
Eric Lefkofsky	48	2006	Chairman Lead	No	0
Theodore Leonsis	62	2009	Independent Director	Yes	1
Michael Angelakis	53	2016	Director	Yes	2
Peter Barris	66	2008	Director	Yes	0
Robert Bass	68	2012	Director	Yes	2
Joseph Levin	38	2017	Director	Yes	3
Deborah Wahl	55	2017	Director	Yes	0
Ann Ziegler	59	2014	Director	Yes	3

Each director nominee is a current director. Each current director who served as a director during 2017 Attendance attended at least 75% of the aggregate number of meetings of the Board and each committee on which he or she sits.

See “Board of Directors” and “Proposals to be Voted on at the Meeting – Proposal 1: Election of Directors” for more information.

Executive Compensation Matters

Executive Compensation Advisory Vote

Our Board unanimously recommends that stockholders vote to approve, on an advisory basis, our Named Executive Officer compensation in 2017, as described more fully in this proxy statement.

Pay for Performance

To date, we have designed our compensation practices such that a significant portion of the Named Executive Officers’ total pay package consists of equity-based awards, and, therefore, we believe the value of the pay packages is tightly correlated with company performance.

Sound Design

We design our executive officer compensation programs to attract, motivate and retain the key executives who drive our success. We also design our pay packages to align the interests of our executives with those of our long-term stockholders. We achieve our objectives through compensation that:

- Enables us to recruit and retain talented and experienced individuals who are able to develop, implement and deliver on long-term business strategies;

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Ties a substantial portion of each executive's compensation directly to the long-term value and growth of the Company;
Rewards both Company and individual performance and achievement;
Ensures that our pay structure does not encourage unnecessary and excessive risk taking; and

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Ensures that our compensation is reasonable and competitive with pay packages made available to executives at companies with which we compete for executive talent.

Executive Compensation Advisory Vote Frequency

Our Board unanimously recommends that stockholders approve an annual frequency for future advisory votes on executive compensation. The Board will consider the outcome of this vote in determining the frequency of future say-on-pay votes. We have held an annual advisory vote on executive compensation since our 2012 annual meeting when our stockholders first voted, on an advisory basis, in favor of an annual frequency for future votes on executive compensation. The Securities and Exchange Commission's rules require that every six years stockholders have the opportunity to approve how frequently we should hold advisory votes on executive compensation. Stockholders may cast an advisory vote on the frequency of future say-on-pay votes in favor of holding say-on-pay votes every year, every other year, or every third year.

See “Compensation Discussion and Analysis,” “Named Executive Officer Compensation” and “Proposals to be Voted on at the Meeting – Proposal 3: Advisory Approval of Our Named Executive Officer Compensation” for more information.

Information About Our Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed Deloitte & Touche LLP (“Deloitte”) as the independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2018. Since May 2017, Deloitte has served as our independent registered public accounting firm and also has provided certain tax and other services. We ask that our stockholders ratify the selection of Deloitte as our independent registered public accounting firm for fiscal year 2018. See “Fees of Independent Registered Public Accounting Firm” and “Proposal 2: Ratification of Independent Registered Public Accounting Firm” for more information.

Forward-Looking Statements

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations. The words "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue" and other similar expressions are intended to identify forward-looking statements.

We have based these forward looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, but are not limited to, risk related to volatility in our operating results; execution of our business and marketing strategies; retaining existing customers and adding new customers; challenges arising from our international operations, including fluctuations in currency exchange rates, legal and regulatory developments and any potential adverse impact from the United Kingdom's likely exit from the European Union; retaining and adding high quality merchants; our voucherless offerings; cybersecurity breaches; competing successfully in our industry; changes to merchant payment terms; providing a strong mobile experience for our customers; maintaining our information technology infrastructure; delivery and routing of our emails; claims related to product and service offerings; managing inventory and order fulfillment risks; litigation; managing refund risks; retaining and attracting members of our executive team; completing and realizing the anticipated benefits from acquisitions, dispositions, joint ventures and strategic investments; lack of control over minority investments; tax liabilities; tax legislation; compliance with domestic and foreign laws and regulations, including the Credit Card Accountability Responsibility and Disclosure Act of 2009, General Data Protection Regulation and regulation of the internet and e-commerce; classification of our independent contractors; protecting our intellectual property; maintaining a strong brand; customer and merchant fraud; payment-related risks; our ability to raise capital if necessary and our outstanding indebtedness; global economic uncertainty; our common stock, including volatility in our stock price; our senior convertible notes; our ability to realize the anticipated benefits from the hedge and warrant transactions; and those risks and other factors discussed in "Item 1A: Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2017, as amended, as well as in our consolidated financial statements, related notes, and the other financial information appearing elsewhere in this proxy statement and our other filings with the Securities and Exchange Commission (the "SEC"). Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this proxy statement to reflect actual results or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Q: Why am I receiving these materials?

The Board is providing these proxy materials to you in connection with the Board's solicitation of proxies for use at Groupon's Annual Meeting of Stockholders, which will take place on June 14, 2018 (the "Annual Meeting").

A: Stockholders are invited to attend the Annual Meeting and are requested to vote on the proposals described in this proxy statement. The Notice of Internet Availability of Proxy Materials (the "Notice") is being mailed on or about April 28, 2018 in connection with the solicitation of proxies on behalf of the Board.

Q: What information is contained in these materials?

The information included in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of certain of our executive officers and our directors, and certain other required information. Groupon's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as amended, which includes our audited consolidated financial statements, is also enclosed with this proxy statement.

Q: What proposals will be voted on at the Annual Meeting?

A: There are four proposals to be voted on at the Annual Meeting:

• Elect the nine director nominees listed in this proxy statement to serve on our Board.

• Ratify the appointment of Deloitte as our independent registered public accounting firm for fiscal year 2018.

• Conduct an advisory vote to approve our Named Executive Officer compensation.

• Conduct an advisory vote on the frequency of future advisory votes to approve our Named Executive Officer compensation.

As of the date of this proxy statement, we are not aware of any other matters to be presented at the Annual Meeting other than those set forth in this proxy statement and in the Notice accompanying this proxy statement. If any other matters properly come before the Annual Meeting, however, the persons named as proxies will be authorized to vote or otherwise act in accordance with their judgment.

Q: How does the Board recommend that I vote?

A: The Board recommends that you vote:

• "FOR" the election of each of the nine director nominees named in this proxy statement.

• "FOR" the ratification of the appointment of Deloitte as our independent registered public accounting firm for fiscal year 2018.

•