

**IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF MARYLAND**

IN RE 2U, INC. SECURITIES CLASS ACTION

Consolidated Case No. 8:19-cv-03455-TDC

NOTICE OF (I) PROPOSED SETTLEMENT;  
(II) MOTION FOR AN AWARD OF ATTORNEYS'  
FEES AND LITIGATION EXPENSES; AND  
(III) SETTLEMENT FAIRNESS HEARING

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the “Action”) if you purchased or otherwise acquired the publicly traded common stock of 2U, Inc. (“2U” or the “Company”), including shares purchased or otherwise acquired pursuant or traceable to the Company’s Preliminary Prospectus Supplement dated May 21, 2018 and Prospectus Supplement filed with the U.S. Securities and Exchange Commission on May 23, 2018, which are part of the Registration Statement on Form S-3 (“2U Securities”) during the period of time from February 26, 2018 through July 30, 2019, both dates inclusive (the “Class Period”).

**NOTICE OF SETTLEMENT:** Please also be advised that the Lead Plaintiff Fiyyaz Pirani (“Pirani” or “Lead Plaintiff”) and Additional Named Plaintiff Oklahoma City Employee Retirement System (“OCERS” or “Additional Named Plaintiff”) (collectively, “Plaintiffs”), on behalf of the Settlement Class (as defined in ¶1 below), have reached a proposed settlement of the Action for a total of \$37 million in cash that will resolve all claims in the Action (the “Settlement”).

**This Notice explains important rights you may have, including your possible receipt of cash from the Settlement.<sup>1</sup> If you are a Settlement Class Member, your legal rights will be affected whether or not you act. Please read this Notice carefully!**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of a class action lawsuit pending against Defendants 2U, Christopher J. Paucek, Catherine A. Graham, Harsha Mokkarala, Paul A. Maeder, Robert M. Stavis, Gregory K. Peters, Timothy M. Haley, Valerie B. Jarrett, Earl Lewis, Coretha M. Rushing, Sallie L. Krawcheck, John M. Larson, Edward S. Macias, Mark J. Chernis (collectively, the “2U Defendants”) and Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., Compass Point Research & Trading, LLC, KeyBanc Capital Markets Inc., and Macquarie Capital (USA) Inc. (“Underwriter Defendants”; with the 2U Defendants, “Defendants”). Defendants are collectively, with Plaintiffs, the “Parties.” The proposed Settlement, if approved by the Court, will apply to the following Settlement Class (the “Settlement Class”): all persons and entities who purchased or otherwise acquired publicly traded 2U Securities during the period from February 26, 2018 through July 30, 2019, both dates inclusive, and were allegedly damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) current and former officers and directors of 2U; (iii) members of the Immediate Family of each of the Individual Defendants; (iv) all subsidiaries and affiliates of 2U and the directors and officers of 2U and their respective subsidiaries or affiliates; (v) all persons, firms, trusts, corporations, officers, directors, and any other individual or entity in which any Defendant has a controlling interest, *provided, however*, that any “Investment Vehicle” shall not be excluded from the Settlement Class; (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of all such excluded parties; and (vii) any persons or entities who properly exclude themselves by filing a valid and timely request for exclusion. Anyone with questions as to whether or not they are excluded from the Settlement Class may call the Claims Administrator toll-free at (855) 789-0808.

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement dated May 31, 2022 (the “Stipulation”), which is available on the Settlement website, [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com).

2. **Statement of Settlement Class’s Recovery:** Subject to Court approval, and as described more fully in ¶¶22-25 and 54-60 below, Plaintiffs, on behalf of the Settlement Class, have agreed to settle all Released Plaintiffs’ Claims (as defined in ¶57 below) against Defendants and other Defendants’ Releasees (as defined in ¶55 below) in exchange for a settlement payment of \$37 million in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (the Settlement Fund less Taxes and Tax Expenses, Notice and Administration Costs, and attorneys’ fees and litigation expenses and awards to the Plaintiffs) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) to be approved by the Court, which will determine how the Net Settlement Fund shall be distributed to members of the Settlement Class. The Plan of Allocation is a basis for determining the relative positions of Settlement Class Members for purposes of allocating the Net Settlement Fund. The proposed Plan of Allocation is included in this Notice and may be modified by the Court without further notice.

3. **Statement of Average Recovery Per Share:** The “Settlement Fund” consists of the \$37 million Settlement Amount plus any and all interest earned thereon. Assuming all potential Settlement Class Members elect to participate, the estimated average recovery is \$1.15 per damaged share before the deduction of fees and expenses. Settlement Class Members may recover more or less than this amount depending on, among other factors, the aggregate value of the Recognized Claims represented by valid and acceptable Claim Forms, as explained in the Plan of Allocation below; when their shares were purchased or otherwise acquired and the price at the time of purchase or acquisition; whether the shares were sold and, if so, when they were sold and for how much. In addition, the actual recovery of Settlement Class Members may be further reduced by the payment of fees and costs from the Settlement Fund, as approved by the Court.

4. **Statement of the Parties’ Position on Damages:** Defendants deny all claims of fault, liability, wrongdoing, or damages whatsoever, deny that they engaged in any wrongdoing, deny that they are liable to Plaintiffs and/or the Settlement Class, and deny that Plaintiffs or other members of the Settlement Class suffered any damages, or that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action or that they could have alleged as part of the Action. Moreover, the Parties do not agree on the amount of recoverable damages if Plaintiffs were to prevail on each of the claims. The issues on which the Parties disagree include, but are not limited to: (1) whether the statements made or facts allegedly omitted were material, false, or misleading; (2) whether the statements were made with intent to deceive, manipulate, or defraud investors; (3) whether Defendants are otherwise liable under the securities laws for those statements or omissions or any alleged scheme to defraud; and (4) whether all or part of the damages allegedly suffered by members of the Settlement Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Statement of Attorneys’ Fees and Expenses Sought:** Lead Counsel will apply to the Court, on behalf of all Plaintiffs’ Counsel, for an award of attorneys’ fees from the Settlement Fund of no more than 33.4% of the Settlement Amount, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also will apply to the Court for payment from the Settlement Fund for Plaintiffs’ Counsel’s litigation expenses (reasonable expenses or costs of Plaintiffs’ Counsel in connection with commencing and prosecuting the Action), in a total amount not to exceed \$425,000, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. If the Court approves Lead Counsel’s fee and expense application, the estimated average cost per damaged share is \$0.40. In addition, Lead Counsel may apply for awards to Plaintiffs in connection with their representation of the Settlement Class in an amount not to exceed \$60,000, combined.

6. **Identification of Attorneys’ Representatives:** Plaintiffs and the Settlement Class are being represented by Pomerantz LLP (“Lead Counsel”), Labaton Sucharow LLP (Additional Counsel), and Goldman & Minton, P.C. (Local Counsel). Any questions regarding the Settlement should be directed to Jeremy Lieberman, Esq. at Pomerantz LLP, 600 Third Avenue, 20th Floor, New York, NY 10016, (212) 661-1100, jalieberman@pomlaw.com.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>DO NOTHING</b>	Get no payment. Remain a Settlement Class Member. Give up your rights.
<b>REMAIN A MEMBER OF THE SETTLEMENT CLASS AND SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 29, 2022</b>	This is the only way to be potentially eligible to receive a payment. If you wish to obtain a payment as a member of the Settlement Class, you will need to submit a claim form (the “Claim Form”), which is included with this Notice, postmarked no later than October 29, 2022.

<p>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS (OPT OUT) BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS <b>RECEIVED NO LATER THAN NOVEMBER 18, 2022</b></p>	<p>Receive no payment pursuant to this Settlement. This is the only option that allows you to ever potentially be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims. Should you elect to exclude yourself from the Settlement Class, you should understand that Defendants and the other Defendants' Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose.</p>
<p>OBJECT TO THE SETTLEMENT SO THAT IT IS <b>RECEIVED NO LATER THAN NOVEMBER 10, 2022</b></p>	<p>Write to the Court about your view of the Settlement, the Plan of Allocation, or the request for attorneys' fees and litigation expenses, or why you don't think the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and litigation expenses is fair to the Settlement Class.</p> <p>If you do not exclude yourself from the Settlement Class, you may object. You must still submit a Claim Form in order to be potentially eligible to receive any money from the Settlement Fund.</p>
<p>GO TO THE HEARING ON DECEMBER 9, 2022, AT 9:30 a.m., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS <b>RECEIVED NO LATER THAN NOVEMBER 10, 2022</b></p>	<p>Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and litigation expenses.</p>

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## WHY DID I GET THIS NOTICE?

7. The purpose of this Notice is to inform you about: (a) this Action, (b) the terms of the proposed Settlement, and (c) your rights in connection with a hearing to be held before the United States District Court, District of Maryland (the “Court”), on December 9, 2022, at 9:30 a.m., to consider the fairness, reasonableness, and adequacy of the Settlement and related matters. This Notice also describes the steps to be taken by those who wish to be excluded from the Settlement Class and, for those who remain Settlement Class Members, the steps necessary to seek to be potentially eligible to share in the distribution of the Net Settlement Fund in the event the Settlement is approved by the Court. (For more information on excluding yourself from the Settlement Class, please read “What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?” located below.)

8. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members.

9. The Court in charge of this case is the United States District Court for the District of Maryland, and the case is known as *In re 2U, Inc. Securities Class Action*, No. 8:19-cv-03455-TDC. The judge presiding over this case is the Honorable Theodore D. Chuang, United States District Judge. The people who are suing are called the Plaintiffs, and those who are being sued are called Defendants. In this case, the Defendants are 2U, Christopher J. Paucek, Catherine A. Graham, Harsha Mokkarala, Paul A. Maeder, Robert M. Stavis, Gregory K. Peters, Timothy M. Haley, Valerie B. Jarrett, Earl Lewis, Coretha M. Rushing, Sallie L. Krawcheck, John M. Larson, Edward S. Macias, Mark J. Chernis, Goldman Sachs & Co. LLC, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc., Compass Point Research & Trading, LLC, KeyBanc Capital Markets Inc., and Macquarie Capital (USA) Inc.

10. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. It also is being sent to inform you of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the application by Lead Counsel for attorneys’ fees and litigation expenses (the “Settlement Fairness Hearing”).

11. The Settlement Fairness Hearing will be held on December 9, 2022, at 9:30 a.m., before the Honorable Theodore D. Chuang, at the United States District Court, District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770, or remotely per details that will be made publicly available on the Settlement website ([www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com)) in advance of the Settlement Fairness Hearing, for the following purposes:

- (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and should be approved by the Court;
- (b) to determine whether the Judgment as provided for under the Stipulation should be entered;
- (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair and reasonable and should be approved by the Court;
- (d) to determine whether the application by Lead Counsel for an award of attorneys’ fees and litigation expenses should be approved; and
- (e) to rule upon such other matters as the Court may deem appropriate.

12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. This process takes time. Please be patient.

## WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

13. This Action arises under sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) against Defendants 2U, Inc., Christopher J. Paucek, Catherine A. Graham, and Harsha Mokkarala, and sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the “Securities Act”) against all Defendants except Harsha Mokkarala, and alleges that during the Class Period, Defendants made materially false and misleading statements about 2U’s growth and business model, among other things, that allegedly inflated 2U’s stock price. Plaintiffs also allege that the Preliminary Prospectus Supplement dated May 21, 2018 and Prospectus Supplement filed with the U.S. Securities Exchange Commission on May 23, 2018, which are part of the Registration Statement on Form S-3 (together, the “Registration Statement”), were inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

14. Plaintiffs allege that the misrepresentations or omissions of the true state of 2U’s business artificially inflated the price of publicly traded 2U common stock (“2U Securities”) and that, when the true facts were revealed, the artificial inflation was removed from the price of 2U Securities, causing the price to drop and damage to members of the Settlement Class.

15. On August 7, 2019, Aaron Harper, the plaintiff in *Harper v. 2U, Inc.*, No. TDC-19-03455 (“the Harper Action”), filed a class action Complaint in the United States District Court for the Southern District of New York alleging federal securities law violations by Defendants 2U, Christopher J. Paucek, and Catherine A. Graham. Harper Action, ECF No. 1. On August 9, 2019, Anne Chinn, the plaintiff in *Chinn v. 2U, Inc.*, No. TDC-20-1006 (“the Chinn Action”), filed a separate class action in the Southern District of New York also alleging federal securities law violations by the same defendants. Chinn Action, ECF No. 1. Both cases were transferred to the United States District Court for the District of Maryland and consolidated. On June 1, 2020, the Court appointed Fiyyaz Pirani as Lead Plaintiff and Pomerantz LLP as Lead Counsel. ECF No. 86.

16. On July 30, 2020, Pirani filed the Consolidated Class Action Complaint (the “Complaint”) alleging violations of sections 10(b) and 20(a) of the Exchange Act and sections 11, 12(a)(2), and 15 of the Securities Act, and adding OCERS as an additional plaintiff. ECF No. 92. On October 27, 2020, Defendants moved to dismiss the Complaint. ECF No. 144. Plaintiffs filed their opposition to the motion to dismiss on December 18, 2020. ECF No. 155. Defendants filed a reply in support of their motion to dismiss on February 9, 2021. ECF No. 157. The Court issued a memorandum and order granting in part and denying in part the motion to dismiss the Complaint on August 5, 2021. ECF Nos. 166-67.

17. After the Court’s August 5, 2021 Order, fact discovery proceeded. Plaintiffs served document requests and interrogatories, served numerous subpoenas on relevant third parties, received and reviewed hundreds of thousands of pages of documents, and participated in numerous meet and confers with both Defendants and the subpoenaed third parties.

18. On December 3, 2021, Plaintiffs moved for class certification and appointment of class representative and class counsel. ECF No. 210. The Parties engaged in discovery related to class certification, Plaintiffs filed a market efficiency report, and Plaintiffs produced documents.

19. The Parties also engaged in settlement discussions. Plaintiffs and 2U Defendants engaged in a mediation with Greg Lindstrom, a nationally known mediator of securities class actions. In advance of the mediation, which took place in April 2022, Plaintiffs and 2U Defendants submitted detailed mediation statements. The Parties negotiated in good faith, but were unable to reach a resolution at mediation, as the Parties’ positions remained far apart.

20. Settlement discussions resumed later and the mediator worked closely with the Parties to achieve a settlement in this matter. These negotiations were protracted, complex, and challenging. After extensive further discussions and negotiations, with the involvement of the mediator, the Parties reached an agreement-in-principle to settle the case for \$37 million and asked the Court on April 29, 2022, to stay all deadlines to allow the Parties to focus their attention on finalizing the settlement. ECF No. 222. On May 31, 2022, the Parties reached an agreement to settle the Action for \$37 million.

## HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?

21. If you are a member of the Settlement Class, you will be affected by the Settlement unless you timely request to be excluded. The Settlement Class consists of all persons and entities who purchased or otherwise acquired 2U Securities<sup>2</sup> during the Class Period, and were allegedly damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) current and former officers and directors of 2U; (iii) members of the Immediate Family of each of the Individual Defendants; (iv) all subsidiaries and affiliates of 2U and the directors and officers of 2U and their respective subsidiaries or affiliates; (v) all persons, firms, trusts, corporations, officers, directors, and any other individual or entity in which any Defendant has a controlling interest, provided, however, that any “Investment Vehicle” shall not be excluded from the Class; (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of all such excluded parties; and (vii) any persons or entities who properly exclude themselves by filing a valid and timely request for exclusion. Anyone with questions as to whether or not they are excluded from the Settlement Class may call the Claims Administrator toll-free at (855) 789-0808. (See “What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?,” below.)

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO BE POTENTIALLY ELIGIBLE TO RECEIVE A DISTRIBUTION OF THE SETTLEMENT PROCEEDS, YOU MUST COMPLETE, SIGN AND SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 29, 2022.

## WHAT ARE PLAINTIFFS’ REASONS FOR THE SETTLEMENT?

22. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue the claims against Defendants through trial and appeals, as well as the difficulties in establishing liability and damages. Plaintiffs and Lead Counsel have considered the amount of the Settlement, as well as the uncertain outcome and risk in complex lawsuits like this one. Such risks include, among others, the risk that Plaintiffs would be unsuccessful in proving that Defendants’ alleged misstatements were materially false and misleading, made with scienter (that is, the requisite state of mind), or caused compensable damages to the Settlement Class.

23. In light of the amount of the Settlement and the certainty of recovery to the Settlement Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit now, namely \$37 million in cash (less the various deductions described in this Notice), as compared to the risk that the claims would produce a smaller recovery, or no recovery, after summary judgment, trial and appeals, possibly years in the future, as well as the risks associated with 2U’s financial position.

24. Defendants have denied and continue to deny each and all of the claims alleged by Plaintiffs in the Action. Defendants expressly have denied and continue to deny all allegations of fault, liability, wrongdoing, or damages against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Defendants also have denied and continue to deny, among other things, the allegations that Plaintiffs or the Settlement Class have suffered any damage, and that Plaintiffs or the Settlement Class were harmed by the conduct alleged in the Action.

## WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

25. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of the alleged claims, neither Plaintiffs nor the Settlement Class would recover anything from Defendants. Additionally, if Defendants were successful in proving any of their defenses, the Settlement Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

<sup>2</sup> During the Class Period, 2U Securities were listed on the NASDAQ under the ticker symbol “TWOU”.

## HOW MUCH WILL MY PAYMENT BE?

26. 2U has agreed to cause to be paid Thirty-Seven Million (\$37,000,000.00) in cash into escrow for the benefit of the Settlement Class. At this time, it is not possible to make any determination as to how much individual Settlement Class Members may receive from the Settlement. Plaintiffs have proposed a plan for allocating the Net Settlement Fund to those Settlement Class Members who timely submit valid Claim Forms. The Plan of Allocation proposed by Plaintiffs is set forth below.

27. All members of the Settlement Class who fail to timely submit an acceptable Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including Settlement Class Members' release of all Released Plaintiffs' Claims.

28. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any member of the Settlement Class.

29. The Plan of Allocation set forth below is the proposed plan submitted by Plaintiffs and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or it may modify it without further notice to the Settlement Class.

30. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the District of Maryland with respect to his, her, or its Claim Form.

31. Persons and entities that exclude themselves from the Settlement Class will not be eligible to receive a distribution from the Net Settlement Fund and shall not submit Claim Forms.

## PLAN OF ALLOCATION

32. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. In developing the Plan of Allocation, Plaintiffs' damages expert calculated the potential amount of estimated artificial inflation in 2U Securities, which allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions. The estimated artificial inflation in the price of 2U Securities during the Class Period is reflected in Table A below. In calculating the estimated alleged artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Plaintiffs' damages expert considered the market- and industry-adjusted changes in the price of 2U Securities following certain alleged corrective disclosures regarding 2U and the allegations in the Complaint.

33. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

### CALCULATION OF RECOGNIZED LOSS AMOUNTS

34. Based on the formula set forth below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of 2U Securities during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. In the calculations below, all purchase and sale prices shall exclude any fees, taxes, and commissions. If a Recognized Loss Amount calculates to a negative number or zero, that Recognized Loss Amount shall be zero. A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts, subject to ¶¶43-53 below.

35. In this case, Plaintiffs allege that certain Defendants are liable for materially false and/or misleading misstatements and/or omissions in the Registration Statement, and that certain Defendants made material false statements and omitted material facts during the Class Period, which allegedly had the effect of artificially inflating or maintaining inflation in the prices of 2U Securities. In order to have recoverable damages, a disclosure of the alleged truth omitted or concealed by the alleged misrepresentations must be the cause of the decline in the price of 2U Securities. Plaintiffs have alleged that such price declines occurred on May 8, 2019 and July 31, 2019 (the "Corrective Disclosure Dates"). Accordingly, if 2U Securities were sold before May 8, 2019 (the earliest Corrective Disclosure Date), the Recognized Loss Amount for those shares is \$0.00, and any loss suffered is not



compensable under the federal securities laws. Likewise, if 2U Securities were both purchased and subsequently sold between the two Corrective Disclosure Dates, the Recognized Loss Amount for those shares is \$0.00, because they were purchased and sold at an allegedly inflated price.

**Table A**

<b>Artificial Inflation in 2U Securities<sup>3</sup></b>		
<b>From</b>	<b>To</b>	<b>Per-Share Price Inflation</b>
February 26, 2018	May 7, 2019	\$35.72
May 8, 2019	July 30, 2019	\$21.54
July 31, 2019	Thereafter	\$0.00

36. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of Recognized Loss Amounts for 2U Securities under the Exchange Act. Accordingly, losses on shares of 2U Securities purchased/acquired during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for the 2U Securities and the average price of 2U Securities during the 90-Day Lookback Period. The Recognized Loss Amount on 2U Securities purchased/acquired during the Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for 2U Securities and the rolling average price of 2U Securities during the portion of the 90-Day Lookback Period elapsed as of the date of sale. *See* Table B below.

**Calculation of Recognized Loss Amount Per Share for Exchange Act Claims**

37. For each share of 2U Securities purchased or otherwise acquired during the Class Period (i.e., February 26, 2018 through July 30, 2019, inclusive), the Recognized Loss Amount per share under the Exchange Act (“Exchange Act Claims”) shall be calculated as follows:

- i. For each share of 2U Securities purchased during the Class Period that was sold prior to May 8, 2019, the Recognized Loss Amount per share is \$0.
- ii. For each share of 2U Securities purchased or otherwise acquired during the Class Period that was subsequently sold during the period May 8, 2019 through July 30, 2019, inclusive, the Recognized Loss Amount per share is *the lesser of*:
  - a. the amount of per-share price inflation on the date of purchase as appears in Table A above *minus* the amount of per-share price inflation on the date of sale as appears in Table A above; or
  - b. the per-share purchase price *minus* the per-share sale price.
- iii. For each share of 2U Securities purchased during the Class Period that was subsequently sold during the period July 31, 2019 through October 28, 2019, inclusive (i.e., sold during the 90-Day Lookback Period), the Recognized Loss Amount per share is *the least of*:
  - a. the amount of per-share price inflation on the date of purchase as appears in Table A above; or
  - b. the per-share purchase price *minus* the per-share sale price; or
  - c. the per-share purchase price *minus* the “90-Day Lookback Value” on the date of sale provided in Table B below.
- iv. For each share of 2U Securities purchased during the Class Period and still held as of the close of trading on October 28, 2019, the Recognized Loss Amount per share is *the least of*:
  - a. the amount of per-share price inflation on the date of purchase as appears in Table A above; or
  - b. the per-share purchase price *minus* the per-share sale price; or

<sup>3</sup> Any transactions in 2U Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

c. the per-share purchase price *minus* the average closing price for 2U Securities during the 90-Day Lookback Period, which is \$16.92.

**Table B**

<b>90-Day Lookback Values</b>					
<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>	<b>Sale / Disposition Date</b>	<b>90-Day Lookback Value</b>
7/31/2019	\$12.80	8/29/2019	\$15.96	9/30/2019	\$16.95
8/1/2019	\$13.36	8/30/2019	\$16.04	10/1/2019	\$16.93
8/2/2019	\$13.47	9/3/2019	\$16.10	10/2/2019	\$16.91
8/5/2019	\$13.57	9/4/2019	\$16.17	10/3/2019	\$16.89
8/6/2019	\$13.54	9/5/2019	\$16.25	10/4/2019	\$16.88
8/7/2019	\$13.65	9/6/2019	\$16.32	10/7/2019	\$16.87
8/8/2019	\$13.76	9/9/2019	\$16.41	10/8/2019	\$16.85
8/9/2019	\$13.94	9/10/2019	\$16.49	10/9/2019	\$16.83
8/12/2019	\$14.05	9/11/2019	\$16.59	10/10/2019	\$16.81
8/13/2019	\$14.25	9/12/2019	\$16.71	10/11/2019	\$16.81
8/14/2019	\$14.37	9/13/2019	\$16.79	10/14/2019	\$16.82
8/15/2019	\$14.56	9/16/2019	\$16.87	10/15/2019	\$16.82
8/16/2019	\$14.72	9/17/2019	\$16.96	10/16/2019	\$16.83
8/19/2019	\$14.91	9/18/2019	\$16.98	10/17/2019	\$16.83
8/20/2019	\$15.14	9/19/2019	\$17.01	10/18/2019	\$16.83
8/21/2019	\$15.36	9/20/2019	\$17.02	10/21/2019	\$16.83
8/22/2019	\$15.50	9/23/2019	\$17.02	10/22/2019	\$16.84
8/23/2019	\$15.63	9/24/2019	\$17.02	10/23/2019	\$16.86
8/26/2019	\$15.73	9/25/2019	\$17.01	10/24/2019	\$16.87
8/27/2019	\$15.80	9/26/2019	\$16.99	10/25/2019	\$16.90
8/28/2019	\$15.87	9/27/2019	\$16.96	10/28/2019	\$16.92

**Calculation of Recognized Loss Amount Per Share for Securities Act Claims**

**Calculation of Recognized Loss Amount Per Share for Securities Act Claims**

38. Plaintiffs also asserted claims in the Action under the Securities Act with respect to 2U Securities purchased or otherwise acquired pursuant or traceable to the Registration Statement (“Securities Act Claims”), pursuant to which shares of 2U Securities were sold to the public at the offering price of \$90.00 per share.

39. The Securities Act Claims asserted in the Action were brought only with respect to 2U Securities that were purchased or otherwise acquired pursuant or traceable to the Registration Statement.

40. Shares of 2U Securities purchased or otherwise acquired on or between May 21, 2018 and May 25, 2018, both dates inclusive, at the offering price of \$90.00 per share (“Securities Act Eligible 2U Securities”), are eligible for additional Recognized Loss Amounts.

41. For any Securities Act Eligible 2U Securities that were purchased or otherwise acquired, Recognized Loss Amounts will be calculated in the manner set forth above concerning Exchange Act Claims, and any Recognized Loss Amount greater than zero for any Securities Act Eligible 2U Securities will then be increased by 25%.

42. This approach to calculating Recognized Loss Amounts for Securities Act Claims is intended to reflect the determination of Lead Counsel that, although the damages alleged to be actionable under the Exchange Act Claims and the Securities Act Claims generally relate to similar alleged misconduct, the Securities Act Claims add value to the overlapping Exchange Act Claims because they would be easier to prove and therefore were more likely to be successful if litigated to a conclusion.

## ADDITIONAL PROVISIONS

43. The Net Settlement Fund will be allocated among Authorized Claimants based on the amount of each Authorized Claimant's Recognized Claim.

44. If a Settlement Class Member has more than one purchase/acquisition or sale of 2U Securities, purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

45. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

46. Purchases or acquisitions and sales of 2U Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of 2U Securities during the Class Period shall not be deemed a purchase, acquisition, or sale of 2U Securities for the calculation of a Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any 2U Securities unless (i) the donor or decedent purchased or otherwise acquired such 2U Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

47. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of the 2U Securities. The date of a "short sale" is deemed to be the date of sale of the 2U Securities. Under the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero. In the event that a Claimant has an opening short position in 2U Securities, the earliest Class Period purchases or acquisitions of 2U Securities shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

48. Option contracts are not securities eligible to participate in the Settlement. With respect to 2U Securities purchased or sold through the exercise of an option, the purchase/sale date of the 2U Securities is the exercise date of the option and the purchase/sale price of the 2U Securities is the exercise price of the option.

49. To the extent an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in 2U Securities during the Class Period, the value of the Claimant's Recognized Claim shall be zero. Such Claimants shall in any event be bound by the Settlement. To the extent an Authorized Claimant suffered an overall market loss with respect to his, her, or its overall transactions in 2U Securities during the Class Period, but that market loss was less than the Recognized Claim calculated above, then the Authorized Claimant's Recognized Claim shall be limited to the amount of the actual market loss.

50. For purposes of determining whether an Authorized Claimant had a market gain with respect to his, her, or its overall transactions in 2U Securities during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Total Sales Proceeds<sup>5</sup> and the Holding Value.<sup>6</sup> If the Authorized Claimant's Total Purchase Amount *minus* the sum of the Total Sales Proceeds and the Holding Value is a positive number, that number will be the Authorized Claimant's market loss on such securities; if the number is a negative number or zero, that number will be the Authorized Claimant's market gain on such securities.

51. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund within a reasonable time after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator shall conduct a

<sup>4</sup> The "Total Purchase Amount" is the total amount the Authorized Claimant paid (excluding commissions and other charges) for all 2U Securities purchased or acquired during the Class Period.

<sup>5</sup> The Claims Administrator shall match any sales of 2U Securities during the Class Period, first against the Authorized Claimant's opening position in 2U Securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of 2U Securities sold during the Class Period shall be the "Total Sales Proceeds."

<sup>6</sup> The Claims Administrator shall ascribe a "Holding Value" to shares of 2U Securities purchased or otherwise acquired during the Class Period and still held as of the close of trading on July 30, 2019, which shall be \$12.80 (i.e., the closing price of 2U Securities on the latest Corrective Disclosure Date). The total calculated holding values for all 2U Securities shall be the Authorized Claimant's "Total Holding Value."

re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective.

52. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No Claimant shall have any claim against the Plaintiffs, the Settlement Class, Plaintiffs' Counsel, Defendants' Releasees (as defined below), Defendants' Counsel, or the Claims Administrator based on distributions made substantially in accordance with the Settlement, the Stipulation, the Plan of Allocation, or otherwise as further ordered by the Court. The Plaintiffs, Defendants, their respective counsel, Plaintiffs' damages expert, and all other Releasees shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

53. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding any modification of the Plan of Allocation will be posted on the Settlement website.

## WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

54. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). Upon the Effective Date of the Settlement, the Judgment will dismiss with prejudice the claims against Defendants and will provide that Plaintiffs and all other Plaintiffs' Releasees (as defined in ¶56 below) and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, trustees, legal representatives, attorneys, agents, predecessors, successors and assigns in their capacities as such, and on behalf of any other person or entity legally entitled to bring Released Plaintiffs' Claims on behalf of any Settlement Class Member, shall be deemed to have, and by operation of law and of the Judgment or Alternative Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged, and dismissed with prejudice each and every one of the Released Plaintiffs' Claims (as defined in ¶57 below), including, without limitation, Unknown Claims (as defined in ¶59 below), against any and all Defendants' Releasees (as defined in ¶55 below) and shall forever be barred and enjoined, to the fullest extent permitted by law, from commencing, instituting, maintaining, prosecuting or continuing to prosecute any or all of the Released Plaintiffs' Claims against any of Defendants' Releasees, in this Action or in any other proceeding, whether or not they execute and deliver the Claim Form or share in the Settlement Fund. Claims to enforce the terms of the Settlement are not released.

55. "Defendants' Releasees" means any and all defendants named in any of the complaints filed in the Action, and any and all of their related parties in any forum, including, without limitation, any and all of their current or former parents, subsidiaries, affiliates, predecessors, successors, divisions, investment funds, joint ventures and general or limited partnerships, and each of their respective current or former officers, directors, trustees, partners, members, contractors, auditors, principals, agents, managing agents, employees, representatives, associates, attorneys, accountants, investment bankers, underwriters, insurers in their capacities as such, as well as each of the Individual Defendants' Immediate Family, heirs, executors, personal or legal representatives, estates, beneficiaries, predecessors, successors and assigns.

56. "Plaintiffs' Releasees" means Plaintiffs, the Settlement Class, and any and all of their related parties, in their capacities as such, including, without limitation, any and all of their past or present parents, subsidiaries, affiliates, predecessors, or successors, as well as any and all of their current or former officers, directors, employees, associates, members of their immediate families, agents or other persons acting on their behalf, underwriters, attorneys (including Plaintiffs' Counsel), advisors, financial advisors, publicists, independent certified public accountants, auditors, accountants, assigns, creditors, administrators, heirs, estates, or legal representatives and Plaintiffs' Counsel and their respective successors, assigns, representatives, officers, directors, attorneys and agents. Plaintiffs' Releasees does not include any person or entity that timely and validly seeks exclusion from the Settlement Class.

57. "Released Plaintiffs' Claims" means any and all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, including both known claims and Unknown Claims, whether contingent or non-contingent, indirect or direct, or suspected

or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, in law, in contract, or in equity, and regardless of legal theory, and including claims for indemnification, contribution, or otherwise denominated, that have been asserted, could have been asserted, or could be asserted in the future, that (i) arise out of, or relate in any way to, or are based upon, the allegations, transactions, acts, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in the Complaint or in any of the prior complaints and (ii) in any way are based upon or related to, directly or indirectly, the purchase, acquisition, or sale or other acquisition or disposition, or holding of 2U Securities during the Class Period. Notwithstanding the aforementioned, the following claims are explicitly excluded from release: all claims (1) related to enforcement of the MOU or the Stipulation or (2) asserted derivatively on behalf of 2U in *Lucey v. Paucek*, No. 20-cv-02424-GLR (D. Md.), *Theis v. Paucek*, No. 20-cv-3360-PAC (S.D.N.Y.), and *Shumacher v. Paucek*, No. 2020-1019-LWW (Del. Ch.). Nothing in the Stipulation shall release any claims of any person or entity that properly and timely excludes itself from the Settlement Class.

58. “Released Defendants’ Claims” means any and all claims, rights and causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages and liabilities, including both known claims and Unknown Claims, whether contingent or non-contingent, or suspected or unsuspected, including any claims arising under federal or state statutory or common law or any other law, rule or regulation, whether foreign or domestic, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against all Defendants. “Released Defendants’ Claims” does not include (i) any claims relating to the enforcement of the Settlement or (ii) any claims against any person or entity who submits a request for exclusion from the Settlement Class that is accepted by the Court.

59. “Unknown Claims” means (i) any Released Plaintiffs’ Claims which any Plaintiff or any other Settlement Class Member, and their respective heirs, executors, administrators, attorneys, agents, predecessors, successors and assigns in their capacities as such, do not know or suspect to exist in his, her or its favor at the time of the release of such claims, and (ii) any Released Defendants’ Claims which any Defendant, and their respective heirs, executors, administrators, attorneys, agents, predecessors, successors and assigns in their capacities as such, do not know or suspect to exist in his, her, or its favor at the time of the release of such claims. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternative Judgment, if applicable, shall have, to the fullest extent permitted by law, expressly waived and relinquished, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

The Parties and Settlement Class Members acknowledge, and shall be deemed by operation of law to have acknowledged, that they may hereafter discover facts, legal theories, or authorities in addition to or different from those which he or she or it or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, Plaintiffs and Defendants shall expressly, fully, finally, and forever, settle and release, and each of the other Settlement Class Members shall be deemed to have settled and released, and upon the Effective Date by operation of the Judgment or the Alternative Judgment, if applicable, shall have, settled and released, fully, finally, and forever, any and all Released Claims without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of the Judgment or the Alternative Judgment, if applicable, to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

60. The Judgment also will provide that Defendants’ Releasees, on behalf of themselves, and their respective heirs, executors, administrators, trustees, legal representatives, attorneys, agents, predecessors, successors and assigns in their capacities as such, and on behalf of any other person or entity legally entitled to bring Released Defendants’ Claims on behalf of Defendants, shall be deemed to have, and by operation of law and of the Judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants’ Claim (including, without limitation, any Unknown Claims) against Plaintiffs’ Releasees, and shall forever be barred and enjoined from commencing, instituting, maintaining, prosecuting or continuing to prosecute any or all of the Released Defendants’ Claims against any of Plaintiffs’ Releasees, in this Action or in any other proceeding, except for claims relating to the enforcement of the Settlement.

## WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

61. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been paid for their expenses. Before final approval of the Settlement, Lead Counsel intends to apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel (Pomerantz LLP, Labaton Sucharow LLP, and Goldman & Minton, P.C.) from the Settlement Fund of no more than 33.4% of the Settlement Amount, plus interest. At the same time, Lead Counsel also intends to apply for payment from the Settlement Fund for Plaintiffs' Counsel's litigation expenses in a total amount not to exceed \$425,000, plus accrued interest. The Court will determine the amount of the award of fees and expenses. Lead Counsel may apply for awards to Plaintiffs, in an amount not to exceed \$60,000, in connection with their representation of the Settlement Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

## HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

62. If you fall within the definition of the Settlement Class as described above, and you are not excluded by the definition of the Settlement Class and you do not elect to exclude yourself from the Settlement Class, then you are a Settlement Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Settlement Class.

63. If you are a Settlement Class Member, you must submit a Claim Form and supporting documentation to establish your potential entitlement to share in the proceeds of the Settlement. A Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlement to request that a Claim Form be mailed to you or to submit a claim electronically. The website is [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com). You may also request a Claim Form by calling toll-free (855) 789-0808. Those who exclude themselves from the Settlement Class, and those who do not submit timely and valid Claim Forms with adequate supporting documentation, will not be entitled to share in the proceeds of the Settlement unless otherwise ordered by the Court. Please retain all original records of your ownership of, or transactions in, 2U Securities, as they may be needed to document your claim.

64. As a Settlement Class Member, for purposes of the Settlement, you are represented by Plaintiffs, and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf with the Court so that the notice is received **on or before November 10, 2022**.

65. If you do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?" below. If you exclude yourself from the Settlement Class, you will not be eligible to receive any benefit from the Settlement and you should not submit a Claim Form but you will retain the right to be a part of any other lawsuit against any of the Defendants' Releasees (as defined in ¶55 above) with respect to any of the Released Plaintiffs' Claims (as defined in ¶57 above).

66. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel's application for attorneys' fees and litigation expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below. If you exclude yourself from the Settlement Class, you are not entitled to submit an objection.

## WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENT? HOW DO I EXCLUDE MYSELF?

67. Each Settlement Class Member will be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable, unless such person or entity mails, by first-class mail (or its equivalent outside the U.S.), or otherwise delivers a written request for exclusion from the Settlement Class, addressed to *2U, Inc. Securities Settlement*, ATTN: EXCLUSION REQUEST, c/o Epiq Class Action & Claims Solutions, Inc., PO Box 5413, Portland, OR 97228-5413. The exclusion request must be **received no later than November 18, 2022**. Each request for exclusion must clearly indicate the name, address and telephone number of the person or entity seeking exclusion, that the sender requests to be excluded from the Settlement Class in *In re 2U, Inc. Securities Class Action*, No. 8:19-cv-03455-TDC, and must be signed by such person or entity. Such persons

or entities requesting exclusion are also directed to provide the following information: the number of shares of 2U Securities that the person or entity requesting exclusion (i) owned as of the opening of trading on February 26, 2018 and as of the close of trading on October 28, 2019 and (ii) purchased, acquired and/or sold from February 26, 2018 through October 28, 2019, inclusive, as well as the dates and prices for each such purchase, acquisition and sale. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court. Should you elect to exclude yourself from the Settlement Class, you should understand that Defendants and the other Defendants' Releasees will have the right to assert any and all defenses they may have to any claims that you may seek to assert, including, without limitation, the defense that any such claims are untimely under applicable statutes of limitations and statutes of repose.

68. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have, or later file, a pending lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees. Excluding yourself from the Settlement Class is the only option that allows you to be part of any other current or future lawsuit against Defendants or any of the other Defendants' Releasees concerning the Released Plaintiffs' Claims. Please note, however, if you decide to exclude yourself from the Settlement Class, you may be time-barred from asserting the claims covered by the Action by a statute of limitations and/or statute of repose.

69. If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. If a person or entity requests to be excluded from the Settlement Class, that person or entity will not receive any benefit provided for in the Stipulation.

70. If the requests for exclusion from the Settlement exceed a certain amount, as set forth in a separate confidential supplemental agreement between Plaintiffs and Defendants (the "Supplemental Agreement"), 2U shall have, in its sole discretion, the option to terminate the Settlement in accordance with the procedures set forth in the Supplemental Agreement.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

71. **You can object to or be part of the Settlement without attending the Settlement Fairness Hearing. If you do not wish to object in person to the proposed Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and litigation expenses, you do not need to attend the Settlement Fairness Hearing.**

72. The Settlement Fairness Hearing will be held on December 9, 2022, at 9:30 a.m., before the Honorable Theodore D. Chuang, at the United States District Court, District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770, or remotely per details that will be made publicly available on the Settlement website ([www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com)) in advance of the Settlement Fairness Hearing. The Court reserves the right to approve the Settlement or the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and expenses, and/or any other matter related to the Settlement at or after the Settlement Fairness Hearing without further notice to the members of the Settlement Class.

73. Any Settlement Class Member who does not request exclusion may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses.<sup>7</sup> You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the proposed Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

74. Any objection to the proposed Settlement must be in writing. All written objections and supporting papers must (a) clearly identify the case name and number (*In re 2U, Inc. Securities Class Action*, No. 8:19-cv-3455 TDC), (b) be submitted to the Court either by mailing them to the Clerk of the Court, United States District Court, District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770, or by filing them in person at any location of the United States District Court for the District of Maryland, and (c) be **filed or postmarked on or before November 10, 2022**.

75. The notice of objection must include documentation establishing the objecting person or entity's membership in the Settlement Class, including the number of shares of 2U Securities that the objecting person or entity (1) owned as of the opening of trading on February 26, 2018 and close of trading on October 28, 2019, and

<sup>7</sup> Plaintiffs' initial motion papers in support of these matters will be filed with the Court on or before October 28, 2022.

(2) purchased, acquired and/or sold from February 26, 2018 through October 28, 2019, as well as the dates and prices for each such purchase, acquisition and sale, and contain a statement of reasons for the objection, copies of any papers, briefs, or other documents upon which the objection is based, a statement of whether the objector intends to appear at the Settlement Fairness Hearing, and the objector's signature, even if represented by counsel. The objection must state whether it applies only to the objector, to a specific subset of the Settlement Class, or to the entire Settlement Class. In addition, the objector must identify all class action settlements to which the objector or his, her, or its counsel have previously objected. Documentation establishing membership in the Settlement Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. Objectors who desire to present evidence at the Settlement Fairness Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

76. You may not object to the Settlement or any aspect of it if you exclude yourself from the Settlement Class.

77. You may file a written objection without having to appear at the Settlement Fairness Hearing. You may not appear at the Settlement Fairness Hearing to present your objection, however, unless you have first filed a written objection in accordance with the procedures described above, unless the Court orders otherwise.

78. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Fairness Hearing. If you decide to hire an attorney, which will be at your own expense, he or she must file a notice of appearance with the Court so that the notice is **received on or before November 10, 2022**.

79. The Settlement Fairness Hearing may be adjourned by the Court without further written notice to the Settlement Class, other than a posting of the adjournment on the Settlement website, [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com). If you plan to attend the Settlement Fairness Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

80. Nominees who purchased or acquired 2U Securities for beneficial owners who are Settlement Class Members are directed to: (a) request, within ten (10) calendar days of receipt of this Notice, additional copies of the Notice and the Claim Form ("Notice Packet") from the Claims Administrator for such beneficial owners; or (b) send a list of the names, addresses, and email addresses (to the extent available) of such beneficial owners to the Claims Administrator within ten (10) calendar days after receipt of this Notice. If a nominee elects to send the Notice Packet to beneficial owners, such nominee is directed to mail the Notice Packet within ten (10) calendar days of receipt of the additional copies of the Notice Packet from the Claims Administrator, and upon such mailing, the nominee shall send a statement to the Claims Administrator confirming that the mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible future notice to the Settlement Class. Upon full compliance with these instructions, including the timely mailing of the Notice to beneficial owners, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with these instructions in an amount not to exceed \$0.10 plus postage at the current pre-sort rate used by the Claims Administrator per Notice Packet; or \$0.05 per Notice Packet transmitted by email; or \$0.10 per name, mailing address, and email address (to the extent available) provided to the Claims Administrator, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely mailing of the Notice, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of these instructions will be paid from the Settlement Fund. Copies of this Notice may also be obtained by calling toll-free (855) 789-0808, and may be downloaded from the Settlement website, [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com).



**CAN I SEE THE COURT FILE?  
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

81. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Action is available at [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com), including, among other documents, copies of the Stipulation and Claim Form. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the Stipulation available at [www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com), or by contacting Lead Counsel below. You may also access the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://pacer.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court, District of Maryland, 6500 Cherrywood Lane, Greenbelt, MD 20770, during regular office hours, Monday through Friday, excluding Court holidays. All inquiries concerning this Notice or the Claim Form should be directed to:

*2U, Inc. Securities Settlement*  
c/o Epiq Class Action & Claims Solutions, Inc.  
PO Box 5413  
Portland, OR 97228-5413  
(855) 789-0808  
[info@2USecuritiesClassAction.com](mailto:info@2USecuritiesClassAction.com)  
[www.2USecuritiesClassAction.com](http://www.2USecuritiesClassAction.com)

Claims Administrator

**-or-**

Jeremy Lieberman, Esq.  
POMERANTZ LLP  
600 Third Avenue, 20th Floor  
New York, NY 10016  
(212) 661-1100  
[jalieberman@pomlaw.com](mailto:jalieberman@pomlaw.com)

Lead Counsel

**DO NOT CALL OR WRITE THE COURT, DEFENDANTS, DEFENDANTS'  
COUNSEL, OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: June 24, 2022

By Order of the Court  
United States District Court  
District of Maryland