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

SCHEDULE TO
(RULE 14D-100)

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

zulily, inc.
(Name of Subject Company)

MOCHA MERGER SUB, INC.
(Offeror)

LIBERTY INTERACTIVE CORPORATION
(Parent of Offeror)
(Names of Filing Persons)

CLASS A COMMON STOCK, $0.0001 PAR VALUE
(Title of Class of Securities)

989774104
(CUSIP Number of Class of Securities)

CLASS B COMMON STOCK, $0.0001 PAR VALUE
(Title of Class of Securities)

989774203
(CUSIP Number of Class of Securities)

Richard N. Baer
Senior Vice President and General Counsel
Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5300
(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing persons)

with copy to:

Robert W. Murray, Jr.
Renee Wilm
Jonathan Gordon
Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
(212) 408-2500

CALCULATION OF FILING FEE

Transaction Valuation(1)	Amount of Filing Fee(2)
$1,161,004,518.96	**$134,908.73**

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), based on (a) the product of (i) $17.76, which represents the average of the high and low sales prices of zulily, inc. ("zulily") Class A common stock as reported on the Nasdaq Global Select Market on August 28, 2015 and (ii) 138,544,692, which represents the number of shares of zulily Class A common stock and Class B common stock outstanding as of August 28, 2015, plus the aggregate number of shares of zulily Class A common stock and Class B common stock issuable upon exercise and conversion of all outstanding stock options and restricted stock units as of such date *minus* (b) $1,298,856,487.50, the estimated minimum aggregate amount of cash to be paid by Liberty Interactive in the exchange offer and subsequent merger.

(2) The amount of the filing fee, calculated in accordance with Rule 0-11 under the Exchange Act of 1934 equals 0.0001162 multiplied by the transaction valuation.

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

Amount Previously Paid: $134,908.73
Form or Registration No.: Form S-4
Filing Party: Liberty Interactive Corporation
Date Filed: September 1, 2015

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☒ third-party tender offer subject to Rule 14d-1.
- ☐ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- ☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- ☐ Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

This Tender Offer Statement on Schedule TO (this "Schedule TO") is filed by Liberty Interactive Corporation, a Delaware corporation ("Liberty Interactive"), and Mocha Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of Liberty Interactive ("Purchaser"). This Schedule TO relates to the offer (the "Offer") by Purchaser to exchange for each issued and outstanding share of common stock of zulily, inc., a Delaware corporation ("zulily"), for consideration (the "Offer Consideration") consisting of:

- $9.375 in cash, without interest and subject to any withholding of taxes required by applicable law, and
- 0.3098 of a share of Series A QVC Group common stock of Liberty Interactive, par value $0.01 per share,

subject to the terms and conditions described in the Prospectus/Offer to Exchange (as defined below) and the related Letter of Transmittal (as defined below).

The Offer is being made pursuant to an Agreement and Plan of Reorganization, dated as of August 16, 2015 (as it may be amended from time to time, the "Reorganization Agreement"), by and among Liberty Interactive, Purchaser, Ziggy Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned merger subsidiary of Liberty Interactive ("Merger Sub 2"), and zulily, which contemplates the Offer and the subsequent merger of Purchaser with and into zulily (the "first merger") with zulily surviving. In the first merger, which is expected to occur on the same day the Offer is consummated, each outstanding share of zulily common stock that Purchaser did not acquire in the Offer, other than those shares held by Liberty Interactive, Purchaser, Merger Sub 2 or zulily, or stockholders of zulily who properly demand appraisal in accordance with Delaware law (and who do not fail to perfect or otherwise effectively withdraw their demand or otherwise waive or lose their right to appraisal), will automatically be converted into the Offer Consideration. Immediately after the first merger, (i) zulily will become a wholly owned subsidiary of Liberty Interactive, and the former zulily stockholders will no longer have any direct ownership interest in zulily or its business and (ii) zulily will merge with and into Merger Sub 2 (the "second merger"). Merger Sub 2 will survive and be renamed "zulily, llc." The first merger and the second merger are referred to together as the "mergers."

On September 1, 2015, Liberty Interactive filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 (the "Registration Statement") relating to the shares of Liberty Interactive Series A QVC Group common stock to be issued to zulily stockholders and holders of stock options and restricted stock units in the Offer and the mergers. The terms and conditions of the Offer and the mergers are described in the Prospectus/Offer to Exchange, which is a part of the Registration Statement (the "Prospectus/Offer to Exchange"), and the related letter of transmittal (the "Letter of Transmittal"), which are filed as Exhibits (a)(4) and (a)(1)(A) hereto, respectively.

Pursuant to General Instruction F to Schedule TO, the information contained in the Prospectus/Offer to Exchange and the Letter of Transmittal, including any prospectus supplement or other supplement thereto related to the Offer hereafter filed with the SEC by Liberty Interactive or Purchaser, is hereby expressly incorporated into this Schedule TO by reference in response to Items 1 through 11 of this Schedule TO and is supplemented by the information specifically provided for in this Schedule TO. The Reorganization Agreement, a copy of which is filed as Exhibit (d)(1) hereto, is incorporated into this Schedule TO by reference.

Item 1. ***Summary Term Sheet.***

The information set forth in the sections of the Prospectus/Offer to Exchange entitled "*Summary*" and "*Questions and Answers Regarding the Transaction*" is incorporated into this Schedule TO by reference.

Item 2. ***Subject Company Information.***

(a) The subject company and issuer of the securities subject to the Offer is zulily, inc., a Delaware corporation. Its principal executive office is located at 2601 Elliott Avenue, Suite 200, Seattle, Washington 98121 and its telephone number is (877) 779-5614.

(b) The information set forth in the section of the Prospectus/Offer to Exchange entitled "*Summary—The Offer*" is incorporated herein by reference.

(c) The information concerning the principal market in which the zulily shares are traded and certain high and low sales prices for the zulily shares in that principal market is set forth in the section of the Prospectus/Offer to Exchange entitled "*Comparative and Historical Per Share Market Price Data*" and is incorporated into this Schedule TO by reference.

Item 3. ***Identity and Background of Filing Person.***

(a), (b) This Schedule TO is filed by Purchaser and Liberty Interactive. The information set forth in the section of the Prospectus/Offer to Exchange entitled "*Information Relating to Liberty Interactive and Purchaser*" is incorporated into this Schedule TO by reference.

(c) The information set forth in the section entitled "*Directors and Executive Officers of Liberty Interactive and Purchaser*" in Schedule I to the Prospectus/Offer to Exchange is incorporated into this Schedule TO by reference.

Item 4. ***Terms of the Transaction.***

(a) The information set forth in the Prospectus/Offer to Exchange is incorporated into this Schedule TO by reference.

Item 5. ***Past Contacts, Transactions, Negotiations and Agreements.***

(a), (b) The information set forth in the sections of the Prospectus/Offer to Exchange entitled "*Summary*," "*Background of the Transaction*," "*The Offer*," "*Information Relating to Liberty Interactive and Purchaser*," "*Information Relating to zulily*," "*Interests of Certain Persons in the Transaction*," "*The Reorganization Agreement*" and "*Other Agreements Related to the Transaction*" is incorporated into this Schedule TO by reference.

Item 6. ***Purposes of the Transaction and Plans or Proposals.***

(a) The information set forth in the Introduction and the sections of the Prospectus/Offer to Exchange entitled "*Summary*," "*The Offer—Purpose of the Transaction; Plans for zulily; The Merger; Appraisal Rights*" and "*Background of the Transaction*" is incorporated into this Schedule TO by reference.

(c)(1-7) The information set forth in the Introduction and in the sections of the Prospectus/Offer to Exchange entitled "*Background of the Transaction*," "*The Offer,*" "*The Reorganization Agreement*" and "*Other Agreements Related to the Transaction*" is incorporated into this Schedule TO by reference.

Item 7. ***Source and Amount of Funds or Other Consideration.***

(a), (b) The information set forth in the sections of the Prospectus/Offer to Exchange entitled "*Questions and Answers Regarding the Transaction*," "*Risk Factors*," "*Source and Amount of Funds*" and "*The Reorganization Agreement*" is incorporated into this Schedule TO by reference.

(d) Liberty Interactive plans to finance the Offer and the mergers using funds drawn under its wholly owned subsidiary QVC, Inc.'s ("QVC") Second Amended and Restated Credit Agreement dated as of March 9, 2015 (the "Credit Agreement"), among QVC, as borrower, the lenders named therein and JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement provides for a $2.25 billion revolving credit facility with a $250 million sub-limit for standby letters of credit and $1.5 billion of uncommitted incremental revolving loan commitments or incremental term loans, which are referred to collectively as the "Credit Facilities." Borrowings under the Credit Agreement bear interest at either the alternate base rate or LIBOR (based on an interest period selected by QVC of one week, one month, two months, three months or six months, or to the extent available from all lenders, nine months or twelve months) at QVC's election in each case plus a margin. Borrowings that are alternate base rate loans will bear interest at a per annum rate equal to the base rate plus a margin that varies between 0.25% and 1.00%

depending on QVC's ratio of consolidated total debt to consolidated EBITDA (the "consolidated leverage ratio"). Borrowings that are LIBOR loans will bear interest a per annum rate equal to the applicable LIBOR plus a margin that varies between 1.25% and 2.00% depending on QVC's consolidated leverage ratio. Each loan may be prepaid at any time and from time to time without penalty other than customary breakage costs. No mandatory prepayments are required other than when borrowings and letter of credit usage exceed availability. Any amounts prepaid on the revolving facility may be reborrowed.

The Credit Facilities are secured by the capital stock of QVC and are scheduled to mature March 2020. The interest rate on the senior secured credit facility was 1.6% at June 30, 2015. QVC has no current plan or arrangement to finance or repay the Credit Facilities.

Item 8. ***Interest in Securities of the Subject Company.***

(a), (b) The information set forth in the Introduction and in the sections of the Prospectus/Offer to Exchange entitled "*Background of the Transaction*," "*The Offer*," "*Interests of Certain Persons in the Transaction*," "*The Reorganization Agreement*," "*Other Agreements Related to the Transaction*," "*Information Relating to zulily*" and "*Information Relating to Liberty Interactive and Purchaser*" and Schedule I in the Prospectus/Offer to Exchange is incorporated herein by reference.

Item 9. ***Persons/Assets Retained, Employed, Compensated or Used.***

(a) The information set forth in the sections of the Prospectus/Offer to Exchange entitled "*Summary*," "*Background of the Transaction*" and "*The Offer*" is incorporated into this Schedule TO by reference.

Item 10. ***Financial Statements.***

(a) The information set forth in the section of the Prospectus/Offer to Exchange entitled "*Summary Selected Consolidated Historical Financial Data of Liberty Interactive*" is incorporated into this Schedule TO by reference.

Item 11. ***Additional Information.***

(a) The information set forth in the Introduction and the sections of the Prospectus/Offer to Exchange entitled "*Summary*," "*Background of the Transaction*," "*Risk Factors*," "*The Offer*," "*The Reorganization Agreement*" and "*Other Agreements Related to the Transaction*" is incorporated into this Schedule TO by reference.

(c) The information set forth in the Prospectus/Offer to Exchange and the Letter of Transmittal is incorporated into this Schedule TO by reference.

Item 12. ***Exhibits.***

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as a part of this Schedule TO.

Item 13. ***Information Required by Schedule 13E-3.***

Not applicable.

SIGNATURES

After due inquiry and to the best of their knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 1, 2015

MOCHA MERGER SUB, INC.

By: /s/ Richard N. Baer
Name: Richard N. Baer
Title: Senior Vice President and General Counsel

LIBERTY INTERACTIVE CORPORATION

By: /s/ Richard N. Baer
Name: Richard N. Baer

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

Exhibit No.	Description

(a)(1)(A)	Form of Letter of Transmittal (incorporated by reference to Exhibit 99.1 to Liberty Interactive's Registration Statement on Form S-4 filed with the SEC on September 1, 2015 (the "Form S-4"))
(a)(1)(B)	Form of Letter from the Information Agent to Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit 99.2 to the Form S-4)
(a)(1)(C)	Form of Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees (incorporated by reference to Exhibit 99.3 to the Form S-4)
(a)(4)	Prospectus/Offer to Exchange relating to the shares of Liberty Interactive common stock to be issued in the Offer and the mergers (incorporated by reference to the Form S-4)
(a)(5)(A)	Joint Press Release Issued by Liberty Interactive and zulily, dated August 17, 2015 (incorporated by reference to Exhibit 99.1 to Liberty Interactive's Form 8-K filed with the SEC on August 17, 2015)
(a)(5)(B)	Slide Show for Investor Call, dated August 17, 2015, titled "Slides Show Presentation for August 17, 2015 Liberty Interactive Acquisition of zulily Investor Call" (incorporated by reference to the Form 8-K filed by Liberty Interactive on August 19, 2015)
(a)(5)(C)*	Form of Summary Advertisement published in the New York Times on September 1, 2015
(a)(5)(D)*	Complaint of Harry Jackson against zulily, Darrell Cavens, Mark Vadon, W. Eric Carlborg, John Geschke, Mike Gupta, Youngme Moon, Michael Potter, Spencer Rascoff, Liberty Interactive, Purchaser and Merger Sub 2, filed in the Court of Chancery of the State of Delaware, and dated August 27, 2015
(b)(1)	Second Amended and Restated Credit Agreement, dated as of March 9, 2015, among QVC, as Borrower, J.P. Morgan Securities LLC, as Lead Arranger and Lead Bookrunner, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, N.A., and BNP Paribas, as Syndication Agents, and the parties named therein as Lenders, Issuing Banks, Documentation Agents and Co-Lead Arrangers and Co-Bookrunners (incorporated by reference to Exhibit 4.1 to QVC's Current Report on Form 8-K filed with the SEC on March 13, 2015)
(d)(1)	Agreement and Plan of Reorganization, dated as of August 16, 2015, among Liberty Interactive, Purchaser, Merger Sub 2 and zulily (incorporated by reference to Exhibit 2.1 to Liberty Interactive's Form 8-K filed with the SEC on August 19, 2015)
(d)(2)	Tender and Support Agreement, dated as of August 16, 2015, by and among Liberty Interactive, Purchaser, zulily and each of Darrell Cavens and Mark Vadon (incorporated by reference to Exhibit 10.1 to Liberty Interactive's Form 8-K filed with the SEC on August 19, 2015)
(d)(3)*	Confidentiality Agreement, dated as of April 26, 2015, by and between zulily and Liberty Interactive
(d)(4)*	Exclusivity Agreement, dated as of August 10, 2015, by and between zulily and Liberty Interactive
(d)(5)*	Lock-Up Agreement, dated as of August 16, 2015 between Liberty Interactive and Darrell Cavens
(d)(6)*	Lock-Up & Non-Competition Agreement, dated as of August 16, 2015, between Liberty Interactive, Mark Vadon, Vadon Holdings, LLC and Lake Tana LLC
(d)(7)*	Executive Employment Agreement, dated August 16, 2015, between Merger Sub 2 and Darrell Cavens

(d)(8)*	Executive Employment Agreement, dated August 16, 2015, between Merger Sub 2 and Robert Spieth
(d)(9)*	Executive Employment Agreement, dated August 16, 2015, between Merger Sub 2 and Lori Twomey

* Filed herewith

A registration statement relating to the securities proposed to be issued in the Offer (as defined below) has been filed with the Securities and Exchange Commission but has not yet become effective. Such securities may not be sold nor may offers to buy such securities be accepted prior to the time the registration statement becomes effective. This announcement is neither an offer to purchase nor a solicitation of an offer to sell zulily shares, nor is it an offer to buy or a solicitation of an offer to sell shares of Liberty Interactive QVC Group or Ventures Group ccommon stock, and the provisions herein are subject in their entirety to the provisions of the Offer. The Offer is made solely by the Prospectus/Offer to Exchange (as defined below), and the related Letter of Transmittal (as defined below) and any amendments or supplements thereto, and is being made to all holders of zulily shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of zulily shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, " blue sky" or other laws of such jurisdiction. In those jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Notice of Offer by
Mocha Merger Sub, Inc.
a wholly owned subsidiary of
Liberty Interactive Corporation
to Exchange Each Outstanding Share of Class A Common Stock and Class B Common Stock of
zulily, inc.
for
$9.375 in Cash
and
0.3098 of a Share of Series A QVC Group Common Stock
of
Liberty Interactive Corporation
(subject to adjustment and the other terms and conditions described in the
Prospectus/Offer to Exchange and related Letter of Transmittal)

Pursuant to the Agreement and Plan of Reorganization, dated as of August 16, 2015 (as it may be amended from time to time, the "Reorganization Agreement"), by and among Liberty Interactive Corporation, a Delaware corporation ("Liberty Interactive"), Mocha Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Liberty Interactive ("Purchaser"), Ziggy Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned merger subsidiary of Liberty Interactive ("Merger Sub 2") and zulily, inc., a Delaware corporation ("zulily"), Liberty Interactive, through Purchaser, is offering to exchange each outstanding share of zulily Class A common stock, par value $ 0.0001 per share, and zulily Class B common stock, par value $ 0.0001 per share, validly tendered and not validly withdrawn in the Offer, for consideration (the "Offer Consideration") consisting of $9.375 in cash and 0.3098 of a share of Series A QVC Group common stock of Liberty Interactive, par value $ 0.01 per share, subject to adjustment and the other terms and conditions described in the prospectus/offer to exchange, dated September 1, 2015 (the "Prospectus/ Offer to Exchange"), and in the related letter of transmittal (the "Letter of Transmittal" which, together with the Prospectus/Offer to Exchange, as each may be amended or supplemented from time to time, constitutes the "Offer"). As described in the Prospectus/Offer to Exchange, the stock component of the Offer Consideration may be increased, with the cash component of the Offer Consideration decreased by a corresponding amount, if cash payments to zulily stockholders who demand appraisal in accordance with Delaware law (and who have not effectively withdrawn their demand or waived or lost the right to appraisal prior to the time at which all shares of zulily common stock which are validly tendered and not validly withdrawn pursuant to the Offer are accepted by Purchaser) could jeopardize the anticipated qualification of the Offer and the mergers, taken together, as a "reorganization" under the Internal Revenue Code of 1986, as amended (the "Code").

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT (ONE MINUTE AFTER 11:59 P.M.), EASTERN TIME, ON SEPTEMBER 29, 2015, UNLESS THE OFFER IS EXTENDED. SHARES VALIDLY TENDERED PURSUANT TO THE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION OF THE OFFER.

The Offer is the first step in Liberty Interactive's plan to acquire all of the outstanding equity interests of zulily. If the Offer is completed, then promptly after the Offer is completed Liberty Interactive is required to consummate a merger of Purchaser with and into zulily (the "first merger"), with zulily surviving. We expect the first merger to occur on the same day the Offer is completed. The purpose of the first merger is for Liberty Interactive to acquire all of the shares of zulily common stock that it did not acquire in the Offer. In the first merger, each outstanding share of zulily common stock that Purchaser did not acquire in the Offer, other than those shares held by Liberty Interactive, Purchaser, zulily or stockholders of zulily who properly demand appraisal in accordance with Delaware law (and who do not fail to perfect or otherwise effectively withdraw their demand or otherwise waive or lose their right to appraisal), will be converted into the Offer Consideration. Immediately after the first merger, (i) zulily will become an indirect wholly owned subsidiary of Liberty Interactive, and the former zulily stockholders will no longer have any direct ownership interest in zulily or its business and (ii) zulily will merge with and into Merger Sub 2, Liberty Interactive's wholly owned limited liability company (the "second merger"). Merger Sub 2 will survive and be renamed "zulily, llc". We refer to the first merger and the second merger together as the "mergers." Because the first merger will be governed by Section 251(h) of the General Corporation Law of the State of Delaware, no zulily stockholder vote will be required to consummate the mergers.

As a result of the mergers, zulily will cease to be a publicly traded company and will become an indirect wholly owned subsidiary of Liberty Interactive. Under no circumstances will interest be paid on the purchase price for zulily shares, regardless of any extension of the Offer or any delay in making payment for zulily shares. The Reorganization Agreement is more fully described in the Prospectus/Offer to Exchange.

The Offer is not subject to any financing condition. The Offer is conditioned upon, among other things, the satisfaction of the Minimum Tender Condition. The "Minimum Tender Condition" requires that there shall have been validly tendered, and not validly withdrawn, into the Offer prior to the expiration time of the Offer a number of shares of zulily common stock which, when added to any shares of zulily common stock already owned by Purchaser, would represent at least a majority of the voting power of (i) the aggregate voting power of the shares of zulily common stock outstanding immediately after the consummation of the Offer (for the avoidance of doubt, assuming the zulily Class B common stock validly tendered and not validly withdrawn will convert to zulily Class A common stock at the time of the consummation of the Offer), plus (ii) the aggregate voting power of the shares of zulily common stock issuable to holders of options issued by zulily from which zulily has received notices of exercise prior to the consummation of the Offer but which have not yet been issued to such holders. No guaranteed delivery procedures or subsequent offering period will be made available in connection with the Offer.

The Offer is also subject to other conditions as described in the Prospectus/Offer to Exchange (together with the conditions described above, the "Offer Conditions").

The board of directors of zulily, among other things, unanimously (with the exception of one director, who recused himself from the vote): (i) determined that the terms of the Reorganization Agreement and the transactions contemplated thereby, including the Offer and the mergers, are advisable, fair to and in the best interests of, zulily and zulily's stockholders; (ii) determined that it is in the best interests of zulily and its stockholders and declared it advisable to enter into the Reorganization Agreement; (iii) approved the execution and delivery by zulily of the Reorganization Agreement, the performance by zulily of its covenants and agreements contained therein and the consummation of the Offer, the mergers and the other transactions contemplated therein upon the terms and subject to the conditions contained in the Reorganization Agreement; and (iv) resolved to recommend that zulily's stockholders accept the Offer and tender their shares of zulily common stock to Purchaser pursuant to the Offer. Accordingly, the zulily board of directors recommends that the stockholders of zulily accept the Offer and tender their shares of zulily common stock to Purchaser pursuant to the Offer.

Subject to Liberty Interactive's (and zulily's) termination rights under the Reorganization Agreement: (1) if, at any time when the Offer is scheduled to expire, any condition to the Offer has not been satisfied or waived, Purchaser is required to extend the Offer on one or more occasions for additional successive periods of up to 10 business days per extension until all conditions to the Offer are satisfied or waived, except Purchaser will not be required or, absent zulily's consent, permitted to extend the Offer past December 31, 2015 (except in circumstances where Purchaser or zulily is not permitted to terminate the Reorganization Agreement at that time); and (2) Purchaser

is required to extend the Offer at any time or from time to time for any period required by any rule, regulation, interpretation or position of the SEC or the staff of the SEC applicable to the Offer. If Purchaser extends the Offer, Purchaser will inform the depositary and will publicly announce the extension not later than 9:00 a.m., Eastern Time, on the business day after the day on which the Offer was previously scheduled to expire.

Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a manner reasonably designed to inform them of such change) and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser assumes no obligation to publish, advertise or otherwise communicate any such public announcement of this type other than by issuing a press release. During any extension, zulily shares previously tendered and not properly withdrawn will remain subject to the Offer, subject to the right of each zulily stockholder to withdraw previously tendered zulily shares.

Subject to applicable SEC rules and regulations and the terms and conditions of the Reorganization Agreement, Purchaser also reserves the right, in its sole discretion, at any time or from time to time to waive any condition identified as subject to waiver in "The Offer—Conditions to the Offer" of the Prospectus/Offer to Exchange.

The Prospectus/Offer to Exchange has not been approved or disapproved by the SEC or any state securities commission, nor has the SEC or any state securities commission passed on upon the fairness or merits of the Prospectus/Offer to Exchange or upon the accuracy or adequacy of the information contained in the Prospectus/Offer to Exchange. Any representation to the contrary is a criminal offense.

Upon the terms and subject to the satisfaction or waiver of the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for exchange the shares validly tendered and not properly withdrawn as soon as practicable after it is permitted to do so under applicable law, and will deliver the Offer Consideration in exchange for such shares promptly after the expiration time. In all cases, a zulily stockholder will receive consideration for tendered zulily shares only after timely receipt by the exchange agent of certificates for those shares, or a confirmation of a book-entry transfer of those shares into the exchange agent's account at The Depository Trust Company ("DTC"), a properly completed and duly executed Letter of Transmittal, or an agent's message in connection with a book-entry transfer, and any other required documents.

For purposes of the Offer, Purchaser will be deemed to have accepted for exchange, and thereby purchased, shares of zulily common stock that are validly tendered in the Offer and not validly withdrawn prior to the expiration time of the Offer (as it may be extended) as, if and when Purchaser gives oral or written notice to the depositary of Purchaser's acceptance for exchange of such shares. On the terms of and subject to the conditions to the Offer, the delivery of consideration for shares of zulily common stock that are accepted for exchange in the Offer will be made by deposit of the cash component with and delivery of the stock component to the depositary, which will act as an agent for stockholders tendering shares in the Offer for the purpose of receiving the Offer Consideration from Purchaser and transmitting payment to such stockholders whose shares of zulily common stock have been accepted for exchange in the Offer. **zulily stockholders will not receive any interest on any cash that Purchaser pays in the Offer, even if there is a delay in making the exchange.**

zulily stockholders can withdraw tendered zulily shares at any time until the expiration time and, if Purchaser has not agreed to accept the shares for exchange on or prior to October 28, 2015, zulily stockholders can thereafter withdraw their zulily shares from tender at any time after such date until Purchaser accepts shares for exchange.

For the withdrawal of shares to be effective, the depositary must receive a written notice of withdrawal from the zulily stockholder at one of the addresses set forth on the back cover of the Prospectus/Offer to Exchange, prior to the expiration time. The notice must include the zulily stockholder's name, the serial number(s) of any physical certificates delivered or otherwise identified to the depositary, the class and number of shares to be withdrawn and the name of the registered holder, if it is different from that of the person who tendered those shares, and any other information required pursuant to the Offer or the procedures of DTC, if applicable.

zulily stockholders must tender their zulily shares in accordance with the procedures set forth in the Prospectus/Offer to Exchange. In all cases, Purchaser will exchange shares tendered and accepted for exchange pursuant to the Offer only after timely receipt by the depositary of certificates for shares (or timely confirmation of a book-entry transfer of such shares into the depositary's account at DTC as described above), a properly completed and duly executed Letter of Transmittal (or an agent's message in connection with a book-entry transfer) and any other required documents.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Prospectus/Offer to Exchange and is incorporated herein by reference.

zulily has provided Purchaser with zulily's stockholder list and security position listings for the purpose of disseminating the Prospectus/Offer to Exchange, the related Letter of Transmittal and other related materials to holders of zulily shares. The Prospectus/Offer to Exchange and related Letter of Transmittal will be mailed to record holders of shares whose names appear on zulily's stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of zulily shares.

The Offer and the mergers, taken together, are intended to qualify as a "reorganization" within the meaning of Section 368 (a) of the Code. If the Offer and the mergers, taken together, qualify as a "reorganization" within the meaning of Section 368 (a) of the Code, the U.S. federal income tax consequences to zulily stockholders who are U.S. persons and receive shares of Series A QVC Group common stock and cash in exchange for shares of their zulily common stock pursuant to the Offer and the mergers generally will be as follows: (i) if a stockholder's tax basis in its zulily shares surrendered is less than the sum of the fair market value of the shares of Series A QVC Group common stock and the amount of cash (other than cash received in lieu of a fractional share of Series A QVC Group common stock) received by the holder, such stockholder generally will recognize gain in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the Series A QVC Group common stock received, minus the adjusted tax basis of the zulily shares surrendered in exchange therefor, and (2) the amount of cash received by the holder (other than cash received in lieu of a fractional share of Series A QVC Group common stock), and (ii) if a stockholder's tax basis in its zulily shares surrendered is greater than the sum of the fair market value of the shares of Series A QVC Group common stock and the amount of cash (other than cash received in lieu of a fractional share of Series A QVC Group common stock) received by the holder, such stockholder's loss will not be currently allowed or recognized for U.S. federal income tax purposes.

Each zulily stockholder should read the discussion under "The Offer—Material U.S. Federal Income Tax Consequences" of the Prospectus/Offer to Exchange and should consult its own tax advisor for a full understanding of the tax consequences of the Offer and the mergers to such stockholder.

The Prospectus/Offer to Exchange and the related Letter of Transmittal contain important information. Holders of zulily shares should carefully read both documents in their entirety before any decision is made with respect to the Offer.

Questions and requests for assistance may be directed to the Information Agent at its address and telephone number set forth below. Requests for copies of the Prospectus/Offer to Exchange, the Letter of Transmittal and other tender offer materials may be directed to the Information Agent. Such copies will be furnished promptly at Purchaser's expense. Stockholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer. Liberty Interactive will reimburse brokers, dealers, commercial banks and trust companies and other nominees, upon request, for customary clerical and mailing expenses incurred by them in forwarding offering materials to their customers. Except as set forth above, neither Liberty Interactive nor Purchaser will pay any fees or commissions to any broker, dealer or other person for soliciting tenders of shares pursuant to the Offer.

The Information Agent for the Offer is:

Georgeson

480 Washington Boulevard, 26th Floor

Jersey City, NJ 07310
Banks, Brokers and Stockholders Call Toll-Free: (877) 507-1756
E-mail: zulily@georgeson.com

September 1, 2015

EFiled: Aug 27 2015 03:38PM EDT
Transaction ID 57780067
Case No. 11440-

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

HARRY JACKSON, Individually and On Behalf of All Others Similarly Situated,	)	
Plaintiff,	)	
v.	)	Civil Action No.
ZULILY, INC., DARRELL CAVENS, MARK VADON, W. ERIC CARLBORG, JOHN GESCHKE, MIKE GUPTA, YOUNGME MOON, MICHAEL POTTER, SPENCER RASCOFF, LIBERTY INTERACTIVE CORPORATION, MOCHA MERGER SUB, INC., and ZIGGY MERGER SUB, LLC.,	)	
Defendants.	)	

VERIFIED CLASS ACTION COMPLAINT
FOR BREACH OF FIDUCIARY DUTIES

Plaintiff Harry Jackson ("Plaintiff"), on behalf of himself and all others similarly situated, by and through the undersigned counsel, alleges the following upon information and belief, including the investigation of counsel and review of publicly-available information, except as to those allegations pertaining to Plaintiff, which are alleged upon personal knowledge:

SUMMARY OF THE ACTION

1. This is a stockholder class action brought by Plaintiff on behalf of himself and all other similarly situated public stockholders of Zulily, Inc. ("Zulily" or the "Company") against the Company's Board of Directors (the "Board" or the

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"Individual Defendants") for breaches of fiduciary duties, and against Liberty Interactive Corporation ("Liberty" or "Parent") and its affiliates, Mocha Merger Sub, Inc. ("Merger Sub 1") and Ziggy Merger Sub, LLC ("Merger Sub 2"), for aiding and abetting such breaches of fiduciary duties.

2. Headquartered in Seattle, Washington, Zulily operates as an online retailer in the United States, Canada, Australia, the United Kingdom, and internationally. The Company provides merchandise primarily to women purchasing for their children, themselves, and their homes. Its merchandise includes men's, women's, and children's apparel, accessories, and shoes; children's merchandise, such as infant gear, sports equipment, toys, and books; and other merchandise comprising kitchen accessories, home décor, entertainment, electronics, pet accessories, and health and beauty products. The Company offers its products through a flash sales model using its desktop and mobile websites, and mobile applications.

3. On August 17, 2015, the Company announced that it had entered into a definitive Agreement and Plan of Reorganization, dated August 16, 2015, with Liberty (the "Merger Agreement"), pursuant to which Liberty will acquire Zulily in a mixed stock-cash transaction valued at $2.4 billion (the "Proposed Transaction"). Under the terms of the Merger Agreement, Liberty will commence an exchange offer to acquire all outstanding shares of Company common stock in

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exchange for $9.375 in cash and 0.3098 of a newly issued share of Liberty for each share of Zulily owned (the "Merger Consideration"). The Merger Consideration represents a total monetary value of $18.75 per share based on Liberty's August 14, 2015 closing price. Following the Proposed Transaction, Zulily will operate independently as the wholly-owned subsidiary of Liberty, with Zulily's current Chief Executive Officer ("CEO") and entire management team continuing on in their respective positions. The Proposed Transaction is expected to close by the fourth quarter of 2015.

4. The Proposed Transaction undervalues Zulily and is the result of an entirely unfair sales process. As an initial matter, the Merger Consideration significantly undervalues the Company: although the Company touts a 49% premium over Zulily's closing price on August 14, 2015, in actuality, the proffered consideration is about 75% under February 2014's record high and significantly less than the $22.00 initial public offering ("IPO") price of November 2013.

5. Not surprisingly, therefore, the combination baffled some analysts. For example, the Proposed Transaction comes on the heels of a recent research note by Oppenheimer & Co., Inc. ("Oppenheimer") emphasizing the Company's near-term potential:

> With a near-term focus on reducing shipping times and improving the consistency of inventory availability though new fulfillment centers, we believe ZU is well-positioned to benefit from the secular shift to online and mobile commerce.

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6. More specifically, given the overall strength of the Company and its poise for future success, Liberty will acquire Zulily at an unreasonably low price if the Proposed Transaction is permitted to close. Prior to the announcement of the Proposed Transaction, the Company reported highly positive financial results. On August 6, 2015, Zulily released its earnings results for the second quarter 2015, reporting strong quarterly earnings. The Company reported gross profits of $92.5 million, representing a

14% increase year-over-year. Additionally, Zulily reported that gross margins increased to 31.1%, representing an increase of 270 basis points year-over year.

7. The recent positive financial performance indicates the beginning of a recovery from the Company's recent slump following the curiously timed resignation of its Chief Financial Officer, March Stolzman ("Stolzman"), effective February 13, 2015. On February 11, 2015, Zulily reported adjusted fourth-quarter earnings of just 11 cents a share on revenue of $391.3 million — more than 20% below analysts' forecasts of 14 cents a share on revenue of $406.5 million. The Company cited unexpectedly high customer churn for the low sales. The following day, Stolzman announced his resignation, effective only two days later. On this news, shares of Zulily fell $5.37 or 27% to close at $14.52 on February 12, 2015. Prior to this announcement, shares were trading above the Merger Consideration

and thus, the most recent financial results were signs of ascension and recovery to that previous trading value.

8. The Merger Consideration is all the more inadequate in light of the significant synergies Liberty will receive by virtue of the Proposed Transaction. While Zulily will be run independently, Liberty believes it can realize about $10 billion in combined annual revenue and 230 million products shipped globally to 19 million customers in 85 countries with the addition of Zulily under the Liberty umbrella. In addition, the deal will help broaden the online presence and generational reach of QVC, the wholly-owned subsidiary and home shopping network run by Liberty. There is currently little overlap between Zulily and QVC customers: most Zulily shoppers are mothers aged between 25 and 45, while QVC's audience is primarily in the 35 to 65 age group. With Zulily, therefore, QVC can target younger "millennial moms and the digital-only generation," according to a Liberty statement.

9. Compounding the failure to secure adequate consideration for the Company, the sales and negotiation process leading up to the execution of the Merger Agreement was fundamentally flawed. Specifically, pursuant to the Merger Agreement, defendants agreed to: (i) a strict no-solicitation provision that prevents the Company from soliciting other potential acquirers or providing them with pertinent confidential information; (ii) a notice provision that requires the

Company to disclose confidential information about competing bids to Liberty within thirty-six hours; (iii) a provision that provides Liberty with the unfettered right to amend the Proposed Transaction in response to a competing proposal; and (iv) a termination and expense fee provision that requires the Company to pay Liberty $79 million in order to accept an alternative, superior offer, depending on the circumstances.

10. Most compelling, as of June 28, 2015, the Company's Chairman of the Board, Mark Vadon ("Vadon"), and President and CEO, Darrell Cavens ("Cavens"), *collectively, beneficially own shares representing approximately 88.5% of the voting power of the outstanding capital stock* Thus, the Company has orchestrated the distribution of its dual class structure common stock in such a way to vest nearly the entire Company's voting power into defendants Cavens and Vadon, thereby guaranteeing that Liberty will satisfy the minimum tender condition set forth in the Merger Agreement.

11. Defendants Vadon and Cavens' control over the effectuation of the Proposed Transaction is further exhibited by their entry into a tender and support agreement (the "Support Agreement") whereby each has agreed to tender their substantial holdings to Liberty.

12. This is compelling because, without judicial intervention, stockholders will be deprived of any meaningful recourse as they cannot feasibly block the Proposed Transaction.

13. The deal protection provisions, in conjunction with the stockholders' lack of meaningful vote on the Proposed Transaction, substantially and improperly limit the Board's ability to act with respect to investigating and pursuing superior proposals and alternatives, including a sale of all or part of Zulily.

14. Notwithstanding its disastrous consequences for stockholders, the Proposed Transaction represents a substantial boon for Zulily's Board and management, who collectively own approximately 1.35 million shares of Zulily Class A common stock and 98.2% of Zulily Class B common, which based on the offer price of $18.75 per share are collectively worth approximately $25,248,469 and 90% of the Company's outstanding voting power. Furthermore, the Merger Agreement provides that all vested and unvested stock options and restricted stock units (together, "Equity Awards") outstanding under the Company's equity plans will be converted into the right to receive cash and/or stock in Liberty, based on a formula set forth in the Merger Agreement. This accelerated vesting will result in lucrative payouts to the Company's directors and executives, especially the Company's CEO, defendant Cavens.

15. The financial conflicts pervading the Board are exacerbated by their conflicts of post-transaction employment in the surviving entity. Specifically, defendant Cavens and the entire Zulily management team will stay on and manage the Company after the Proposed Transaction is consummated, creating an incentive for Cavens and the Company's executives to favor a deal with Liberty over any competing bidders. Notably, this conflicted management team will have the sole power to approve the Proposed Transaction because they hold virtually all of the Company's voting power.

16. In pursuing the Proposed Transaction and agreeing to the inadequate Merger Consideration offered by Liberty, each defendant has violated applicable law by directly breaching and/or aiding and abetting breaches of fiduciary duties of loyalty, good faith, and due care owed to Plaintiff and the putative class of Zulily stockholders.

17. Accordingly, and for the reasons set forth in detail herein, Plaintiff seeks to enjoin defendants from taking any steps to consummate the Proposed Transaction or, in the event the Proposed Transaction is consummated, to recover damages resulting from the Individual Defendants' violations of their fiduciary duties of loyalty, good faith, and due care.

THE PARTIES

18. Plaintiff is, and at all times relevant hereto has been, a stockholder of the Company.

19. Defendant Zulily is a corporation organized and existing under the laws of Delaware, with principal executive offices located at 2601 Elliot Avenue, Seattle, Washington 98121. Zulily is sold under the ticker symbol "ZU."

20. Defendant Cavens has been the President, CEO, and member of the Board since October 2009.

21. Defendant Vadon has been the Chairman of the Board since October 2009.

22. Defendant W. Eric Carlborg ("Carlborg") has been a member of the Board since October 2011. Carlborg is also the chairman of the Audit Committee.

23. Defendant John Geschke ("Geschke") has been a member of the Board since February 21, 2014. Geschke is also the chairman of the Nominating & Corporate Governance Committee.

24. Defendant Michael Gupta ("Gupta") has been a member of the Board since January 21, 2015. Gupta is also a member of the Audit Committee and the Compensation Committee.

25. Defendant Youngme Moon ("Moon") has been a member of the Board since July 2013. Moon is also a member of the Audit Committee and the Nominating & Corporate Governance Committee.

26. Defendant Michael Potter ("Potter") has been a member of the Board since March 2011. Potter is also a member of the Compensation Committee and the Nominating & Corporate Governance Committee. Potter was previously the Company's Chief Operating Officer from October 2011 to March 2012.

27. Defendant Spencer Rascoff ("Rascoff") has been a member of the Board since June 2013. Rascoff is also the chairman of the Compensation Committee.

THE INDIVIDUAL DEFENDANTS' FIDUCIARY DUTIES

28. By reason of the Individual Defendants' positions with the Company as officers and/or directors, said individuals are in a fiduciary relationship with Plaintiff and the other stockholders of Zulily and owe Plaintiff and the other members of the Class (defined herein) the duties of good faith, loyalty, and candor.

29. By virtue of their positions as directors and/or officers of Zulily, the Individual Defendants, at all relevant times, had the power to control and influence, and did control and influence and cause Zulily to engage in the practices complained of herein.

30. Each of the Individual Defendants is required to act in good faith, in the best interests of the Company's stockholders and with such care, including reasonable inquiry, as would be expected of an ordinarily prudent person. In a situation where the directors of a publicly traded company undertake a transaction that may result in a change in corporate control, the directors must take all steps reasonably required to maximize the value stockholders will receive rather than use a change of control to benefit themselves. To diligently comply with this duty, the directors of a corporation may not take any action that:

(a) adversely affects the value provided to the corporation's stockholders;

(b) contractually prohibits them from complying with or carrying out their fiduciary duties;

(c) discourages or inhibits alternative offers to purchase control of the corporation or its assets;

(d) will otherwise adversely affect their duty to search for and secure the best value reasonably available under the circumstances for the corporation's stockholders; or

(e) will provide the directors and/or officers with preferential treatment at the expense of, or separate from, the public stockholders.

31. Plaintiff alleges herein that the Individual Defendants, separately and together, in connection with the Proposed Transaction, violated duties owed to Plaintiff and the other stockholders of Zulily, including their duties of loyalty, good faith, and due care, insofar as they, *inter alia*, failed to obtain the best price possible under the circumstances before entering into the Proposed Transaction, and engaged in self-dealing and obtained for themselves personal benefits, including personal financial benefits, not shared equally by Plaintiff or the other stockholders of Zulily common stock.

CLASS ACTION ALLEGATIONS

32. Plaintiff brings this action pursuant to Court of Chancery Rule 23, individually and on behalf of the stockholders of Zulily common stock (the "Class"). The Class specifically excludes defendants herein, and any person, firm, trust, corporation or other entity related to, or affiliated with, any of the defendants.

33. This action is properly maintainable as a class action because:

(a) The Class is so numerous that joinder of all members is impracticable. According to the Merger Agreement, as of the close of business on August 14, 2015, there were (i) 67,702,546 shares of Class A Common Stock outstanding; and (ii) 56,268,788 shares of Class B Common Stock issued and outstanding. The actual number of public stockholders of Zulily can be ascertained through discovery;

(b) There are questions of law and fact that are common to the Class, including, *inter alia*, the following:

i. whether the Individual Defendants have breached their fiduciary duties of loyalty and/or due care with respect to Plaintiff and the other members of the Class in connection with the Proposed Transaction;

ii. whether the Individual Defendants have breached their fiduciary duty to maximize value under the circumstances for the benefit of Plaintiff and the other members of the Class in connection with the Proposed Transaction;

iii. whether Liberty, Merger Sub 1, and Merger Sub 2 have aided and abetted the Individual Defendants' breaches of fiduciary duty to the Plaintiff and the Class; and

iv. whether Plaintiff and the other members of the Class would suffer irreparable injury were the Proposed Transaction complained of herein consummated.

(c) Plaintiff is an adequate representative of the Class, has retained competent counsel experienced in litigation of this nature, and will fairly and adequately protect the interests of the Class;

(d) Plaintiff's claims are typical of the claims of the other members of the Class and Plaintiff does not have any interests adverse to the Class;

(e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for defendants, or adjudications with respect to individual members of the Class which would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests; and

(f) Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

SUBSTANTIVE ALLEGATIONS

Company Background and its Poise for Growth

34. Zulily was founded by defendant Cavens in 2009 with the Company's Chairman, defendant Vadon, and subsequently went public in November 2013. Since going public at $22.00 per share, the business has grown steadily to become a global internet retailer, marketing itself as a daily deal site for mothers. In particular, the Company operates daily flash sales with 4,500 products such as children's and women's apparel and kitchen accessories, according to its prospectus. Sales more than doubled in the first nine months following its IPO, to

$439 million. Additionally, the stock price immediately jumped 71% following the day of its IPO, reaching triple the IPO price by March of 2014.

35. Much of the Company's success may be attributed to its daily flash sales model, which became particularly attractive to young shoppers following the 2008 financial crisis. As a result, the Company flourished financially the year following its October 2013 IPO. On February 24, 2014, the Company announced fourth quarter and full year 2013 financial results, reporting incredible growth. Specifically, the Company reported fourth quarter net sales had increased to $257.0 million, up 100% year over year; full year net sales increased to $695.7 million, up 110% year over year; fourth quarter adjusted EBITDA increased to $17.8 million, up 277% year over year; full year adjusted EBITDA increased to $27.0 million, compared to a loss of $(5.9) million in the prior year; fourth quarter net income increased to $12.8 million, up 293% year over year; and full year net income increased to $12.9 million compared to a net loss of $(10.3) million in the prior year.

36. Defendant Cavens lauded the results:

> We're excited to close out a great year with a strong quarter and increasing profitability. The full year generated 110% year on year revenue growth. As I look forward to 2014 and beyond, I see an opportunity for us to change the way people shop. It's clear to me that our team's continued obsession with offering amazing products at a great value is driving tremendous performance for the company and excitement for our customers. We'll continue to aggressively invest in

fulfillment, technology and people to maximize the long-term potential of our business.

37. The rampant success of 2013 continued into the 2014 fiscal year when, on May 6, 2014, the Company reported that quarterly net sales had increased to $237.9 million, up 87% year over year for the first quarter of 2014. Non-GAAP adjusted EBITDA for the first quarter 2014 increased $2.6 million, up 481% year over year, while non-GAAP free cash flow increased $1.6 million, up 172% year over year.

38. Defendant Cavens commented on the results:

> This year has started off with strong revenue and active customer growth. These results highlight that our team's efforts to deliver a diverse offering of new products every day at a great value resonates with our customers. We remain obsessed about changing the way people shop by giving them an experience they can't find elsewhere.

39. The Company continued on its upward path in the second quarter of 2014, as Zulily announced on August 6, 2014 financial results for the quarter ending June 29, 2014. For this quarter, the Company reported that net sales had increased $285.0 million, up 97% year over year. Non-GAAP adjusted EBITDA for the second quarter 2014 increased to $14.4 million, up 106% year over year, while non-GAAP diluted net income per share was $0.09 compared to non-GAAP diluted net income per share of $0.05 for the second quarter 2013.

40. The third quarter of 2014 was equally as successful. Third quarter 2014 net sales increased to $285.8 million, up 72% year over year. Non-GAAP

adjusted EBITDA for the third quarter 2014 increased to $6.4 million, up 257% year over year, while non-GAAP diluted net income per share was $0.02 compared to non-

GAAP diluted net income per share of $0.0 for the third quarter 2013.

41. Defendant Cavens again commented positively on the results:

> This was a strong quarter where we hit several key milestones — the business reached a billion dollars in revenue on a trailing 12 month basis and the majority of our North American orders now come from mobile. We've grown adjusted EBITDA and free cash flow while making upgrades to our technology and infrastructure for scale. Our obsession with offering up great products every day at a great value continues to resonate with our customers, and I'm excited about what more we can achieve in the years ahead.

42. The Company closed 2014 with incredible year end results. Fourth quarter and full year 2014 net sales increased to $391.3 million and $1.2 billion, up 52% and 72% year over year, respectively. In addition, fourth quarter and full year 2014 non-GAAP adjusted EBITDA increased to $20.3 million and $43.7 million, compared to $17.8 million and $27.0 million, respectively, in the prior year. Fourth quarter and full year 2014 net income was $10.9 million and $14.9 million, compared to $12.8 million and $12.9 million, respectively, in the prior year.

43. In the wake of these results, defendant Cavens reiterated the Company's expected ongoing profitability in 2015:

> We closed out the year with significant growth across the business. We increased year-over-year net sales by 72% and drove strong profitability. Our goal is to build zulily into one of the most innovative and profitable consumer retail internet businesses of our time. We have set clear business priorities for 2015 that will create an

> even better experience for our customers while also leveraging the strong unit economics that we've been building in the business to continue to deliver surprise and delight to our customers each day.

44. True to defendant Cavens' predictions, the Company reported strong financial results into 2015. First quarter 2015 net sales increased to $306.6 million, up 29% year over year, while first quarter 2015 gross profit increased to $92.2 million, up 45% year over year. Non-GAAP adjusted EBITDA for the first quarter 2015 increased to $4.4 million, up 66% year over year, and non-GAAP diluted net income per share for the first quarter 2015 was $0.01 compared to non- GAAP diluted net income per share of $0.00 for the first quarter 2014. Defendant Cavens celebrated:

> We delivered strong first quarter results with revenue in line and adjusted EBITDA well exceeding our expectations. We made significant progress against our 2015 objectives to improve the daily experience, deliver the perfect order and expand gross margins. The percentage of orders placed on mobile platforms reached an all-time high in Q1, order to ship times decreased, and gross margins hit our long-term financial target of 30% less than two years after our IPO. We also launched our redesigned website last week, which is responsive in design and materially enhances the customer experience across all platforms. I'm proud of the team for delivering on strong growth while continuing to deliver an amazing customer experience, every day.

45. The most recent financial results, reported on August 5, 2015, continued to break year over year records. In particular, net sales increased to $297.6 million, up 4% year over year; gross profit increased to $92.5 million, up 14% year over year. Gross margin increased to 31.1%, up 270 basis points year

over year. Defendant Cavens continued to emphasize the Company's longevity in this announcement:

> Our second quarter revenue came in at the high end of our prior guidance, with some upside on profitability. We continued to realize efficiencies from significant capital investments in supply chain operations made in 2014 and demonstrated discipline around our cost structure. We've made good progress on our marketing strategy and we've materially improved our site experience, merchandising selection and order execution to deliver an incredibly unique customer experience focused on surprise and delight, every day.

46. Two weeks later, on August 17, 2015, the Company announced the Proposed Transaction.

The Board's Conflicts of Interest

47. The Zulily Board is also inherently conflicted in the Proposed Transaction based on their financial interests and the prospect of post-transaction employment. Defendant Cavens along with a number of other executives of the Company will receive lucrative payouts upon the consummation of the Proposed Transaction. The Merger Agreement provides that, at the effective time of the Proposed Transaction, the unvested stock options or restricted stock units granted under the Company's 2009 Equity Incentive Plan or the Company's 2013 Equity Plan will be assumed by Liberty and converted automatically into an option or restricted stock unit of Liberty. Additionally, vested portions of outstanding Equity Awards will be cashed out.

48. In addition, Zulily's CEO, defendant Cavens, and the current Zulily management team will stay on and manage the Company after the Proposed Transaction is consummated, creating an incentive for Cavens and the Company's executives to favor Liberty over any competing bidders.

49. Together, these arrangements create an incentive for Zulily's Board to enter into the unfair Proposed Transaction, to the detriment of Plaintiff and the Class.

The Merger Agreement Unfairly Deters Competitive Offers and is Unduly Beneficial to Liberty

50. The Proposed Transaction is also unfair because, as part of the Merger Agreement, defendants agreed to certain onerous and preclusive deal protection devices that operate conjunctively to make the Proposed Transaction a *fait accompli* and ensure that no competing offers will emerge for the Company.

51. First, Section 5.3(b) of the Merger Agreement broadly provides that neither Zulily, nor any of its affiliates, may solicit or proactively seek a competing and better offer, nor can they provide information to, or engage in discussions with, any potential bidder for the Company. The Section states that the Company or any of its subsidiaries or affiliates shall not:

> directly or indirectly, (i) solicit, initiate, knowingly encourage or knowingly facilitate the making, submission or announcement of any inquiries or the making of any proposal or offer constituting or that would reasonably be expected to lead to an Acquisition Proposal, (ii) furnish any non-public information regarding any of the Company

or any Company Subsidiary to any Person in connection with or in response to an Acquisition Proposal or any proposal, inquiry or offer that would reasonably be expected to lead to an Acquisition Proposal, (iii) engage in discussions or negotiations with any Person with respect to any Acquisition Proposal or any proposal, inquiry or offer that would reasonably be expected to lead to an Acquisition Proposal (other than to state that they currently are not permitted to have discussions), (iv) approve, endorse or recommend any Acquisition Proposal or any proposal, inquiry or offer that would reasonably be expected to lead to an Acquisition Proposal, (v) make or authorize any public statement, recommendation or solicitation in support of any Acquisition Proposal or any proposal, inquiry or offer that would reasonably be expected to lead to an Acquisition Proposal, (vi) enter into any letter of intent or agreement in principle or any Contract with respect to any Acquisition Proposal or any proposal, inquiry or offer that would reasonably be expected to lead to an Acquisition Proposal (other than an Acceptable Confidentiality Agreement in accordance with Section 5.3(c).

52. Additionally, Section 5.3(c) requires that the Company keep Liberty informed of any competing proposals. Specifically, that Section obligates the Company to:

promptly (and in any event within thirty-six (36) hours) advise Parent of the receipt of any Acquisition Proposal or any proposal or offer that would reasonably be expected to lead to an Acquisition Proposal (including the identity of the Person making or submitting such Acquisition Proposal, proposal or offer, and the material terms and conditions thereof) that is made or submitted by any Person prior to the Acceptance Time…The Company shall keep Parent informed, on a reasonably current basis, of the status of, and any financial or other material changes in, any such Acquisition Proposal, proposal or offer, including furnishing copies of all offer letters, term sheets, written proposals or similar documents, in each case, offering or proposing to effect an Acquisition Proposal, and any draft agreements to effect the applicable Acquisition Proposal, proposal or offer exchanged between the Company and the other party making the Acquisition Proposal, proposal or offer.

53. In addition, Section 5.3(f) contains a "last look provision" which grants Liberty an unlimited ability to amend the terms of the Proposed Transaction in response to a competing bid, which in turn gives Liberty unfettered access to confidential, non-public information about competing proposals from third parties which Liberty can use to prepare a matching bid. Additionally, this Section requires that Zulily consider any revisions to the Proposed Transaction made by Liberty:

The Company Board [must] provide Parent four (4) Business Days' prior written notice advising Parent it intends to effect an Adverse Recommendation Change which notice specifies, in reasonable detail, the reasons therefor (it being understood that the delivery of such notice shall not itself constitute an Adverse Recommendation Change), and (B) during such four (4) Business Day period, negotiated, and has caused its Representatives to negotiate, in good faith any written proposal by Parent to amend the terms and conditions of this Agreement in a manner that would obviate the need to effect an Adverse Recommendation Change and (C) after complying with clauses (A) and (B) of this Section 5.3(f)(i), at the end of such four (4) Business Day period, the Company Board has again reaffirmed the determination described in Section 5.3(e) in light of the revisions to the terms of this Agreement to which Parent has committed in a binding written document provided, however, that if any revisions are made to an Acquisition Proposal and such revisions are material (it being understood and agreed that any change to consideration with respect to such proposal is material), the Company shall deliver a new Notice of Superior Proposal to Parent and shall again comply with the requirements of this Section 5.3(f)(ii) with respect to such new Notice of Superior Proposal, except that in such a situation, the Notice Period shall be two (2) Business Days (it being understood that if any subsequent material revisions are made to such Acquisition Proposal, the Company shall deliver a new Notice of Superior Proposal to Parent and shall again comply with the

requirements of this Section 5.3(f)(ii) with respect to such new Notice of Superior Proposal, except that the Notice Period with respect thereto shall be two (2) Business Days).

54. Accordingly, no rival bidder is likely to emerge and act as a stalking horse in light of the potential risks associated with disseminating a rival bidder confidential information and the ability of Liberty to easily piggy-back upon the due diligence of the foreclosed second bidder.

55. Moreover, the revision and notice provision essentially ensures that no superior bidder will emerge, as any potential suitor will be unlikely to expend the time, cost, and effort to perform due diligence and make a superior proposal while knowing that Liberty will know of its bid and the details and terms thereof and can easily top it. As a result, the matching rights provision unreasonably favors Liberty, to the detriment of Zulily public stockholders. The deal also contains no "go-shop" provision.

56. Compounding matters, Section 7.3 of the Merger Agreement requires the Company to pay a termination fee of $79,000,000 within two business days if the Proposed Transaction is terminated for various reasons, thereby essentially requiring that a competing bidder agree to pay a naked premium for the right to provide the stockholders with a superior offer.

57. Finally, the Company has orchestrated the distribution of its dual class structure of common stock in such a way to vest nearly the entire Company's

voting power into defendants Cavens and Vadon. This is compelling because, without intervention, stockholders will be deprived of any meaningful recourse as they cannot feasibly block the Proposed Transaction at a shareholder vote. As disclosed in the Company's most recently quarterly report, filed with the United States Securities and Exchange Commission on August 6, 2015:

Our Class B common stock has ten votes per share, and our Class A common stock has one vote per share. Given the greater number of votes per share attributed to our Class B common stock, the holders of Class B common stock collectively will continue to be able to control a majority of the voting power even if their stock holdings represent as few as approximately 9.1% of the outstanding number of shares of our common stock. **As of June 28, 2015, our chairman of the board of directors, Mark Vadon, and our president and chief executive officer, Darrell Cavens, collectively, beneficially own shares representing approximately 88.5% of the voting power of our outstanding capital stock.** This concentrated control will limit your ability to influence corporate matters for the foreseeable future and may cause us to make strategic decisions or pursue acquisitions that could involve risks to you or may not be aligned with your interests. For example, these stockholders will be able to control elections of directors, amendments of our certificate of incorporation or bylaws, increases to the number of shares available for issuance under our equity compensation plans or adoption of new equity compensation plans **and approval of any merger or sale of assets for the foreseeable future.** This control may adversely affect the market price of our Class A common stock.

58. As such, the minimum tender condition set forth in Section 1.1.(b)(i) of the Merger Agreement will certainly be reached based on the whims of just defendants Vadon and Cavens.

59. Ultimately, these preclusive Merger Agreement provisions illegally restrain the Company's ability to solicit or engage in negotiations with any third party regarding a proposal to acquire all or a significant interest in the Company. The narrow circumstances under which the Board may respond to alternative proposals and the Company's inability to terminate the Merger Agreement if it accepts a superior proposal fail to provide an effective "fiduciary out" under the Merger Agreement.

60. Accordingly, Plaintiff seeks injunctive and other equitable relief to prevent the irreparable injury that the Company's stockholders will continue to suffer absent judicial intervention.

COUNT I

Breach of Fiduciary Duties
(Against All Individual Defendants)

61. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

62. The Individual Defendants have violated their fiduciary duties of care, loyalty, and good faith owed to the public stockholders of Zulily.

63. By the acts, transactions, and courses of conduct alleged herein, the Individual Defendants, individually and acting as a part of a common plan, are attempting to unfairly deprive Plaintiff and other members of the Class of the true value of their investment in Zulily.

64. As demonstrated by the allegations above, the Individual Defendants failed to exercise the care required, and breached their duties of loyalty and good faith owed to the stockholders of Zulily because, among other reasons, they failed to take reasonable steps to obtain and/or ensure that Zulily stockholders receive adequate and fair value for their shares.

65. The Individual Defendants dominate and control the business and corporate affairs of Zulily both through their positions within the Company and on the Board, and are in possession of private corporate information concerning Zulily's assets, business, and future prospects. Thus, there exists an imbalance and disparity of knowledge and economic power between them and the public stockholders of Zulily which makes it inherently unfair for them to benefit their own interests to the exclusion of maximizing stockholder value.

66. By reason of the foregoing acts, practices, and course of conduct, the Individual Defendants have failed to exercise ordinary care and diligence in the exercise of their fiduciary obligations toward Plaintiff and the other members of the Class.

67. As a result of the actions of the Individual Defendants, Plaintiff and the Class will suffer irreparable injury in that they have not and will not receive their fair portion of the value of Zulily assets and businesses and have been and will be prevented from obtaining a fair price for their common stock.

68. Unless the Individual Defendants are enjoined by the Court, they will continue to breach their fiduciary duties owed to Plaintiff and the members of the Class, all to the irreparable harm of the members of the Class.

69. Plaintiff and the members of the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury which the Individual Defendants' actions threaten to inflict.

COUNT II

Aiding and Abetting the Individual Defendants' Breaches of Fiduciary Duties
(Against Liberty, Merger Sub 1, and Merger Sub 2)

70. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

71. Liberty, Merger Sub 1, and Merger Sub 2 have acted and are acting with knowledge of, or with reckless disregard to, the fact that the Individual Defendants are in breach of their fiduciary duties to Zulily public stockholders, and have participated in such breaches of fiduciary duties.

72. Moreover, Liberty, Merger Sub 1, and Merger Sub 2 knowingly aided and abetted the Individual Defendants' wrongdoing alleged herein. In so doing, they rendered substantial assistance in order to effectuate the Individual Defendants' plan to consummate the Proposed Transaction in breach of their fiduciary duties.

73. As a result of the unlawful actions of Liberty, Merger Sub 1, and Merger Sub 2, Plaintiff and the other members of the Class will be irreparably harmed in that they will not receive the true value for Zulily's assets and business. Unless their actions are enjoined by the Court, defendants Liberty, Merger Sub 1, and Merger Sub 2 will continue to aid and abet the Individual Defendants' breaches of their fiduciary duties owed to Plaintiff and the members of the Class.

74. As a result of Liberty, Merger Sub 1, and Merger Sub 2's conduct, Plaintiff and the other members of the Class have been and will be damaged in that they have been and will be prevented from obtaining a fair and reasonable price for their Zulily shares.

75. Plaintiff and other members of the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands injunctive relief in his favor and in favor of the Class and against defendants as follows:

A. Declaring that this action is properly maintainable as a class action and certifying Plaintiff as Class representative;

B. Preliminarily and permanently enjoining defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from proceeding with, consummating, or closing the Proposed Transaction, unless and

until the Company adopts and implements a procedure or process to obtain an agreement providing fair and reasonable terms and consideration to Plaintiff and the Class;

C. Rescinding, to the extent already implemented, the Merger Agreement or any of the terms thereof, or granting Plaintiff and the Class rescissory damages;

D. Directing the Individual Defendants to account to Plaintiff and the Class for all damages suffered as a result of the Individual Defendants wrongdoing;

E. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees; and

F. Granting such other and further equitable relief as this Court may deem just and proper.

Dated: August 27, 2015

RIGRODSKY & LONG, P.A.

By: */s/ Brian D. Long*
Seth D. Rigrodsky (#3147)
Brian D. Long (#4347)
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CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is being entered into as of April 26, 2015, between zulily, inc. (the "Company") and Liberty Interactive Corporation ("Liberty").

In order to facilitate the consideration and negotiation of a possible transaction involving Liberty and/or one or more of its subsidiaries and the Company (a "Transaction" and each of Liberty and the Company being sometimes referred to collectively as the "Parties" and individually as a "Party"), each Party has requested access to certain non-public information regarding the other Party and the other Party's subsidiaries (each Party, in its capacity as a provider of information, is referred to in this Agreement as the "Provider"; and each Party, in its capacity as a recipient of information, is referred, to in this Agreement as the "Recipient"). This Agreement sets forth the Parties' obligations regarding the use and disclosure of such information and regarding various related matters.

The Parties, intending to be legally bound, acknowledge and agree as follows:

1. Limitations on Use and Disclosure of Confidential Information. Subject to Section 4 below, neither the Recipient nor any of the Recipient's Representatives (as defined in Section 14 below) will, at any time, directly or indirectly:

(a) make use of any of the Provider's Confidential Information (as defined in. Section 13 below), except for the specific purpose of considering, evaluating, negotiating and consummating a possible Transaction; or

(b) disclose any of the Provider's Confidential Information to any other Person (as defined in Section 14 below) other than its Representatives who need to know such Confidential Information for purposes of helping a Party consider, evaluate, negotiate or consummate a Transaction.

Each Party will advise its Representatives that the Confidential Information is confidential and that by receiving such information, such Representatives are agreeing to be bound by the confidentiality provisions of this Agreement and not to use the Confidential Information for any purpose other than as described herein. Each Party will be liable and responsible for any breach of the confidentiality obligations and use restrictions in this Agreement by any of its Representatives

2. Limited Contact. Each Party agrees not to contact any Representatives of the other Party regarding a Transaction other than such Representatives as it is informed are permitted to receive such a contact.

3. No Representations by Provider. The Provider will have the exclusive authority to decide what Confidential Information (if any) of the Provider is to be made available to the Recipient and its Representatives. Neither the Provider nor any of the Provider's Representatives will be under any obligation to make any particular Confidential Information of the Provider available to the Recipient or any of the Recipient's Representatives or to

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supplement or update any Confidential Information of the Provider previously furnished. Neither the Provider nor any of its Representatives has made or is making any representation or warranty, express or implied, as to the accuracy or completeness of any of the Provider's Confidential Information, and neither the Provider nor any of its Representatives will have any liability to the Recipient or to any of the Recipient's Representatives relating to or resulting from the use of any of the Provider's Confidential Information or any inaccuracies or errors therein or omissions therefrom. Only those representations and warranties (if any) that are included in any final definitive written agreement that provides for the consummation of a negotiated transaction between the Parties or a Party's subsidiary and is validly executed on behalf of the Parties or a Party's subsidiary (a "Definitive Agreement") will have legal effect.

4. Permitted Disclosures.

(a) Notwithstanding the limitations set forth in Section 1 above:

(i) the Recipient (and, if applicable, its Representatives) may disclose Confidential Information of the Provider if and to the extent that the Provider consents in writing to the Recipient's (or, if applicable, any of its Representative's) disclosure thereof; and

(ii) subject to Section 4(b) below, the Recipient may disclose Confidential Information of the Provider to the extent required by applicable law or governmental regulation, by subpoena, interrogatory or other valid legal process, or by the rules of a securities exchange, market or automated quotation system.

(b) If the Recipient or any of the Recipient's Representatives is required by law or governmental regulation, by subpoena, interrogatory or other valid legal process, or by the rules of a securities exchange, market or automated quotation system to disclose any of the Provider's Confidential Information to any Person, to the extent legally permitted and commercially practicable, the Recipient will promptly notify the Provider thereof so that the Provider may, in the Provider's discretion and at its sole cost and expense, seek a protective order or other appropriate remedy to prevent, limit or delay such disclosure or the nature and scope thereof. The Recipient and its Representatives will reasonably cooperate with the Provider and the Provider's Representatives, at the Provider's sole cost and expense, in any attempt by the Provider to obtain any such protective order or other remedy. If the Provider elects not to seek, or is unsuccessful In obtaining, any such protective order or other remedy in connection with any requirement that the Recipient or any of its Representatives disclose Confidential Information of the Provider within the time period within which Recipient or any of its Representatives is required to disclose any such Confidential Information, then the Recipient or any of its Representatives may disclose such Confidential Information to the extent so required; *provided, however,* that, to the extent commercially practicable, the Recipient and Its Representatives will use commercially reasonable efforts to obtain assurance that such Confidential Information is treated confidentially by each Person to whom it is disclosed.

5. Return of Confidential Information. As soon as practicable upon the Provider's request, the Recipient and the Recipient's Representatives will deliver to the Provider or destroy (at the Recipient's option) any of the Provider's Confidential Information (and all

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copies thereof) obtained or possessed by the Recipient or any of the Recipient's Representatives. The Recipient shall confirm any destruction of the Provider's Confidential Information upon receipt of a written request from the Provider. Notwithstanding the delivery to the Provider (or the destruction by the Recipient) of Confidential Information of the Provider pursuant to this Section 5, the Recipient and its Representatives will continue to be bound by the confidentiality obligations and use restrictions under this Agreement. In addition, notwithstanding this Section 5, (i) Recipient may retain a single, secure copy of the Provider's Confidential Information to the extent required to comply with legal or regulatory requirements, or established document retention policies, or to demonstrate compliance with this Agreement; (ii) Recipient and its Representatives shall not be required to destroy any computer files stored securely by them that are created during automatic system back-up; provided, however, that such files are not accessed for any purpose other than those set forth in clause (i) hereof; and (iii) Recipient's external professional advisers (including without limitation its external auditors) shall be entitled to retain such Confidential Information as they are required to retain by law or any professional standard applicable to them. Any Confidential Information that is not returned or destroyed, including, without limitation, any oral Confidential Information, will remain subject to the confidentiality obligations set forth in this Agreement.

6. Limitation on Soliciting Employees. Until the earlier of one year after the date of this Agreement or the closing date of any Transaction consummated pursuant to a Definitive Agreement, neither Party, without the consent of the other Party, will directly or indirectly solicit, induce, encourage any Covered Person (as defined herein) to terminate such Covered Person's relationship with the other Party in order to become an employee, consultant, or independent contractor, to or for any other person or entity; provided, however, that the foregoing provision will not be deemed to prevent a Party from conducting bona fide general solicitations of employment published in a journal, newspaper or other publication of general circulation or in trade publications or other similar media or through the use of search firms or the internet and which, in any case, are not directed specifically toward such employees. The foregoing restriction shall not apply to Covered Persons who have been involuntarily terminated by a Party or, without violation by the other Party of this Section 6, contact the other Party seeking employment on their own initiative. For purposes of this Agreement, "Covered Person" shall mean, with respect to each Party, any Person who is an employee with the title of Vice President or higher of the other Party or any subsidiary of such other Party as of the date of this Agreement or who becomes an employee with the title of Vice President or higher of such other Party or of any subsidiary of such other Party before the termination of discussions regarding a possible Transaction and with whom the Party restricted by this paragraph has direct interaction during discussions and negotiations regarding a possible Transaction.

7. Standstill Provisions. During the nine-month period commencing on the date of this Agreement (the "Standstill Period"), neither Party nor any of such Party's Representatives acting on behalf and at the direction of such Party will, in any manner, directly or indirectly:

(a) make, effect, initiate, cause or participate in (i) any acquisition of beneficial ownership of 5% or more of any securities of the other Party or 5% or more of any securities of any subsidiary of the other Party, (ii) any acquisition of all or substantially all of the assets of the other Party or any subsidiary of the other Party, (iii) any tender offer, exchange

offer, merger, business combination, recapitalization, restructuring, liquidation, dissolution or extraordinary transaction involving the other Party or any subsidiary of the other Party, or involving any securities or assets of the other Party or any securities or assets of any subsidiary of the other Party, or (iv) any "solicitation" of "proxies" (as those terms are used in the proxy rules of the Securities and Exchange Commission) or consents with respect to any securities of the other Party;

(b) form, join or participate in a "group" (as defined in the Securities Exchange Act of 1934 and the rules promulgated thereunder) with respect to the beneficial ownership of any securities of the other Party;

(c) act, alone or in concert with others, to seek to control or influence the management, board of directors or policies of the other Party other than in connection with the-negotiation or consummation of a possible Transaction pursuant to the terms of this Agreement;

(d) take any action that might reasonably be deemed to require the other Party to make a public announcement regarding any of the types of matters set forth in clause "(a)" of this sentence;

(e) publicly offer to take, or publicly propose the taking of, any action referred to in this Section 7;

(f) assist, induce or encourage any other Person (other than the other Party hereto) to take any action of the type referred to in this Section 7;

(g) enter into any arrangement or agreement with any other Person (other than such Party's own Representatives and the other Party hereto and its Representatives) relating to any of the foregoing; or

(h) publicly request or propose that the other Party or any of the other Party's Representatives amend, waive or consider the amendment or waiver of any provision set forth in this Section 7.

The expiration of the Standstill Period will not terminate or otherwise affect any of the other provisions of this Agreement.

Notwithstanding any other provision of this Agreement to the contrary, nothing in this Section 7 or any other provision of this Agreement shall be deemed to prohibit a Party from confidentially communicating to the other Party's board of directors or senior management or external financial advisors any non-public proposals regarding a Transaction in such a manner as would not reasonably be expected to require public disclosure thereof under applicable law or listing standards of any securities exchange. In addition, the restrictions set forth in this Section 7 shall automatically terminate and be of no further force and effect with respect to a Party (the "Subject Party"), without any action on the part of either Party hereto, if either (i) the Subject Party enters into a definitive written agreement with any Person other than the other Party hereto (or any of its subsidiaries) to consummate a transaction involving the acquisition of all or a

majority of the voting power of the Subject Party's outstanding equity securities or all or substantially all of the consolidated assets of the Subject Party and its consolidated subsidiaries (whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance or otherwise) or (ii) a tender or exchange offer for all or a majority of the Subject Party's outstanding equity securities is commenced by any Person other than the other Party hereto or any of its subsidiaries to which the Subject Party's board of directors has recommended in favor. Upon the expiration or termination of this Section 7, the Parties expressly agree that nothing in this Agreement will be deemed to prevent, restrict or otherwise impair the right or ability of either Party to take any of the actions prohibited by the terms of this Section 7 prior to its expiration or termination.

8. No Limit on Other Business. Each Party understands that the other Party and any of its Representatives may currently or in the future (a) develop information internally, have information developed for it or any of its Representatives or receive information from other parties that may be similar to the Confidential Information and (b) evaluate, invest in (directly or indirectly, including providing financing to), or do business with competitors or potential competitors of the other Party, and. nothing in this Agreement is intended to or shall restrict or preclude such activities, except insofar as this Agreement restricts the use and disclosure of the Confidential Information.

9. No Obligation to Pursue Transaction. Unless the Parties enter into a Definitive Agreement, no agreement providing for a transaction involving either of the Parties will be deemed to exist between the Parties, and neither Party is under any obligation to negotiate or enter into any such agreement or transaction with the other Party. Each Party reserves the right, in its sole discretion: (a) to conduct any process it deems appropriate with respect to any transaction or proposed transaction involving such Patty, and to modify any procedures relating to any such process without giving notice to the other Party or any other Person; (b) to reject any proposal made by the other Party or any of the other Party's Representatives with respect to a transaction involving such Party; and (c) to terminate discussions and negotiations with the other Party at any time. Each Patty recognizes that, except as expressly provided in any Definitive Agreement between the Parties: (i) the other Party and its Representatives will be free to negotiate with, and to enter into any agreement or transaction with, any other interested party; and (ii) such Party will not have any rights or claims against the other Party or any of the other Party's Representatives arising out of or relating to any transaction or proposed transaction involving the other Party.

10. No Waiver. No failure or delay by either Party or any of its Representatives in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, and no single or partial exercise of any such, right, power or privilege will preclude any other or future exercise thereof or the exercise of any other right,

power or privilege under this Agreement. No provision of this Agreement can be waived or amended except by means of a written instrument that is validly executed on behalf of both of the Parties and that refers specifically to the particular provision or provisions being waived or amended.

11. Remedies. Each Party acknowledges that money damages would not be a sufficient remedy for any breach of this Agreement by such Party or by any of such Party's

Representatives and that the other Party would suffer irreparable harm as a result of any such breach. Accordingly, each Party will also be entitled to equitable relief, including injunction, and specific performance, as a remedy for any breach or threatened breach of this Agreement by the other Party or any of the other Party's Representatives. The equitable remedies referred to above will not be deemed to be the exclusive remedies for a breach of this Agreement, but rather will be in addition to all other remedies available at law or in equity to the Parties. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that either Party or any of its Representatives has breached this Agreement, such Party will be liable for, and will pay to the other Party and the other Party's Representatives, the reasonable documented legal fees incurred by the other Party and the other Party's Representatives in connection with such litigation (including any appeals relating thereto).

12. Successors and Assigns; Applicable Law; Jurisdiction and Venue. This Agreement will be binding upon and inure to the benefit of each Party and their respective heirs, successors and assigns. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware (without giving effect to principles of conflicts of laws). Each Party and its Representatives: (a) irrevocably and unconditionally consent and submit to the jurisdiction of the state and federal courts of the United States of America located in the State of Delaware for purposes of any action, suit or proceeding arising out of or relating to this Agreement (and the Parties agree not to commence any action, suit or proceeding relating to this Agreement except in such courts); (b) agree that service of any process, summons, notice or document by U.S. registered mail to the address set forth at the end of this Agreement shall be effective service of process for any action, suit or proceeding brought against such Party or any of such Party's Representatives; (c) irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of or relating to this Agreement in any state or federal court of the United States of America located in the State of Delaware; and (d) irrevocably and unconditionally waive the right to plead or claim, and irrevocably and unconditionally agree not to plead or claim, that any action, suit or proceeding arising out of or relating to this Agreement that is brought in any state or federal court of the United States of America located in the State of Delaware has been brought in an inconvenient forum.

13. Confidential Information. For purposes of this Agreement, the Provider's "Confidential Information" will be deemed to include:

(a) any information (including any technology, know-how, patent application, test result research study, business plan, budget, forecast or projection) relating directly or indirectly to the business of the Provider, any predecessor entity or any subsidiary or other affiliate of the Provider (whether prepared by the Provider or by any other Person and whether or not in written form) that is or has been made available to the Recipient or any Representative of the Recipient (in connection with a possible Transaction) by or on behalf of the Provider or any Representative of the Provider;

(b) any memorandum, analysis, compilation, summary, interpretation, study, report or other document, record or material that is or has been prepared by or for the Recipient or any Representative of the Recipient to the extent that it contains or reflects any information referred to in clause "(a)" of this Section 13;

(c) the existence and terms of this Agreement, and the fact that information referred to in clause "(a)" of this Section 13 has been made available to the Recipient or any of its Representatives; and

(d) the fact that discussions or negotiations are or may be taking place with respect to a possible Transaction involving the Parties, and the proposed terms of any such Transaction.

However, notwithstanding the foregoing or anything to the contrary set forth in this Agreement, the Provider's "Confidential Information'' will not be deemed to include;

(i) any information that is or becomes generally available to the public other than as a direct or indirect result of the disclosure of any of such information by the Recipient or by any of the Recipient's Representatives;

(ii) any information that was in the Recipient's possession prior to the time it was first made available to the Recipient or any of the Recipient's Representatives by or on behalf of the Provider or any of the Provider's Representatives, provided that the source of such information was not and is not known by the Recipient to be bound by any contractual, or other obligation of confidentiality to the Provider or any other Person with respect to any of such information;

(iii) any information that becomes available to the Recipient on a non-confidential basis from a source other than the Provider or any of the Provider's Representatives, provided that such source is not known by the Recipient to be bound by any contractual or other obligation of confidentiality to the Provider or any other Person with respect to any of such information; or

(iv) any information that is verifiably developed by the Recipient or any of its Representatives without the benefit of the information provided by the Provider or its Representatives.

14. Miscellaneous.

(a) For purposes of this Agreement, a Party's "Representatives" will be deemed to include each Person that (i) is or becomes (A) a subsidiary of such Party, or (B) an officer, director, employee, attorney, advisor, accountant or agent of such Party or of any of such Party's subsidiaries, and (ii) has a need to know the Confidential Information in connection with a Transaction and provides or receives Confidential Information pursuant to this Agreement.

(b) The term "Person," as used in this Agreement, will be broadly interpreted to include any individual and any corporation, partnership, entity, group, tribunal or governmental authority.

(c) The bold-faced captions appearing in this Agreement have been included only for convenience and shall not affect or be taken into account in the interpretation of this Agreement.

(d) Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(e) By making Confidential Information or other information available to the Recipient or the Recipient's Representatives, the Provider is not, and shall not be deemed to be, granting (expressly or by implication) any license or other right under or with respect to any patent, trade secret, copyright, trademark or other proprietary or intellectual property right.

(f) To the extent that any Confidential Information includes materials or other information that may be subject to the attorney-client privilege, work product doctrine or any other applicable privilege or doctrine concerning any pending, threatened or prospective action, suit, proceeding, investigation, arbitration or dispute, it is acknowledged and agreed that the Parties have a commonality of interest with respect to such action, suit, proceeding, investigation, arbitration or dispute and that it is their mutual desire, intention and understanding that the sharing of such materials and other information is not intended to, and shall not, affect the confidentiality of any of such materials or other information or waive or diminish the continued protection of any of such materials or other information under the attorney-client privilege, work product doctrine or other applicable privilege or doctrine. Accordingly, all Confidential Information that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege or doctrine shall remain entitled to protection thereunder and shall be entitled to protection under the joint defense doctrine, and the Parties agree to take all measures necessary to preserve, to the fullest extent possible, the applicability of all such privileges or doctrines.

(g) Each Party hereby confirms that it is aware, and that its Representatives have been advised, that the United States securities laws prohibit any person who has material nonpublic information about a company from purchasing or selling securities of such company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person may purchase or sell such securities.

(h) Each Party agrees that it shall not export or re-export, directly or indirectly, any Confidential Information of the other Party for which the United States government or any agency thereof requires at the time of export an export license or other governmental approval unless such Party has first obtained such license or approval.

(i) This Agreement constitutes the entire agreement between the Recipient and the Provider regarding the subject matter hereof and supersedes any prior agreement between the Recipient and the Provider regarding the subject matter hereof.

(j) This Agreement will automatically terminate and expire, without any action on the part of either Party, on the second (2nd) anniversary of the date hereof (provided that the restrictions set forth in Sections 6 and 7 shall survive for the applicable period set forth in such Section).

(k) This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

[Signature Pages Follow]

The parties have caused this Agreement to be executed as of the date first set forth above.

zulily, inc.

By: /s/ Mark Vadon
Name: Mark Vadon
Title: Chairman
Address: 2601 Elliott Ave, Suite 200
Seattle, Washington 98121

Liberty Interactive Corporation

By: /s/ Richard N. Baer
Name: Richard N. Baer
Title: Sr.V.P. and General Counsel
Address: 12300 Liberty Boulevard
Englewood, Colorado 80112

Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, CO 80112

August 10, 2015

zulily, inc.
2601 Elliott Avenue, Suite 200
Seattle, Washington 98121
Attn: Mark Vadon
Darrell Cavens

Gentlemen:

We are pleased with the progress of the discussions between Liberty Interactive Corporation ("LIC") and zulily, inc. ("ZU") regarding a possible business combination transaction (the "Transaction"). In consideration of the significant effort and expense that has been and will be incurred by LIC in connection with its evaluation of the Transaction, the parties hereto agree as follows:

1. Exclusivity.

(a) During the Exclusive Period (as defined below), ZU agrees not to, and ZU will not authorize or permit Mark Vadon or Darrell Cavens or any of ZU's subsidiaries to, directly or indirectly through any of ZU's directors or officers or any of ZU's agents, representatives, affiliates or any other person or entity acting on its or any ZU subsidiary's behalf (collectively, its "Representatives"), (i) enter into, or solicit offers, inquiries or proposals for, or respond to any offer, inquiry or proposal to enter into (other than to inform the person making such offer, inquiry or proposal that ZU cannot enter into discussions with such person until the end of the Exclusive Period), any transaction (other than the Transaction) in respect of (A) a sale, transfer, lease or other disposition, directly or indirectly, including through an asset sale, stock sale, merger, plan of reorganization, or similar transaction, of any material portion of ZU or any of its subsidiaries, (B) an issuance of any equity interest of ZU or any of its subsidiaries (including, without limitation, any option, warrant or other right to acquire, or any security convertible into or exercisable or exchangeable for, an equity interest) not otherwise covered by an existing equity compensation plan as of the date hereof or (C) any business combination, whether by merger, consolidation, tender offer, acquisition or otherwise or other transaction that would prevent or materially delay the Transaction (any of the foregoing in this clause (i), a "Competing Transaction"), or (ii) conduct any discussions or negotiations, or enter into any agreement, arrangement or understanding, regarding a Competing Transaction. For purposes of this letter agreement, "Exclusive Period" shall mean the period commencing as of the signing of this letter agreement by the parties hereto and ending on the earlier to occur of: (1) 8:00 am (New York City time) on August 17, 2015; or (2) entry by LIC, ZU and/or any of their respective affiliates into a definitive agreement with respect to the Transaction; *provided, however,* that if from the signing of this letter agreement by the parties hereto through 8:00 am (New York City time) on August 17, 2015, LIC has not suggested to ZU any adverse change in the proposed

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price per share payable in the Transaction or other material adverse change to any material terms of the Transaction as contemplated by the definitive acquisition agreement provided to ZU on August 9, 2015 and has been acting in good faith to negotiate and execute a definitive acquisition agreement providing for a Transaction as promptly as practicable, the reference in this sentence to August 17, 2015 shall be deemed to be the earlier of: (xx) August 24, 2015; or (yy) the date on which LIC suggests to ZU any adverse change in the proposed price per share payable in the Transaction or other material adverse change to any material terms of the Transaction as contemplated by the definitive acquisition agreement provided to ZU on August 9, 2015.

(b) ZU agrees to terminate, and will cause its Representatives and all other persons acting on its behalf to terminate, upon execution of this letter agreement, all discussions regarding a Competing Transaction. ZU also agrees to promptly notify LIC if, during the Exclusive Period, it, or any of ZU's Representatives (including, for the avoidance of doubt, Mark Vadon and Darrell Cavens), receives any offer, inquiry or proposal regarding a Competing Transaction (it being understood, however, that neither ZU nor any of its Representatives are required to provide LIC with the identity of the person making such offer, inquiry or proposal or any of the terms thereof).

2. Nature of Letter Agreement. It is expressly understood and agreed by each party hereto that this letter agreement is not intended to, and does not, constitute an agreement to consummate, or to enter into any binding agreement to consummate, any transaction (including the Transaction).

3. Termination. Unless agreed to in writing by each party hereto, this letter agreement will terminate automatically at the end of the Exclusive Period; *provided,* that such termination shall not relieve a party hereto from liability hereunder for breach of this letter agreement prior to such termination.

4. Confidentiality and Confidentiality Agreement. The existence of this letter agreement and its contents are subject to the terms of the Confidentiality Agreement, dated as of April 26, 2015, between ZU and LIC (the "Confidentiality Agreement"); *provided, however,* that each of LIC and ZU agree that during the Exclusive Period, in the event that any terms of the Confidentiality Agreement shall conflict with any terms of this letter agreement, the applicable terms of this letter agreement shall control including, without limitation, the terms of Section 9 of the Confidentiality Agreement.

5. Governing Law; Venue. This letter agreement, and all rights, remedies and obligations of the parties hereunder, shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to principles of conflict of laws. In any judicial proceeding involving any dispute, controversy or claim arising out of or relating to this letter agreement or its operations, each of the parties hereto unconditionally accepts the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware, or if such court is unavailable, the United States District Court located in the State of Delaware, and in each case, the appellate courts to which orders and judgments thereof may be appealed. In any such judicial proceeding, the parties hereto agree that in addition to any method for the service of process permitted or required by such courts, to the fullest extent

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permitted by law, service of process may be made by hand delivery or by nationally recognized courier service or United States Express Mail. EACH OF THE PARTIES HERETO HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS LETTER AGREEMENT.

6. Specific Performance. In the event of a breach or a threatened breach by ZU of its obligations under this letter agreement, LIC, without any requirement to post bond, in addition to being entitled to exercise all rights granted by law, including, without limitation, recovery of damages, will be entitled to specific performance of its rights under this letter agreement. ZU agrees that the provisions of this letter agreement shall be specifically enforceable by LIC, it being agreed by each of the parties hereto that (1) any remedy at law, including monetary damages, for breach of any such provision will be inadequate compensation to LIC for any loss, and (2) any defense in any action for specific performance that a remedy at law would be adequate is hereby waived by ZU.

7. Counterparts; Facsimile Signatures. This letter agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. This letter agreement may be executed by facsimile signatures.

[signature pages follow]

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this letter agreement, whereupon this letter agreement will constitute our agreement with respect to the subject matter of this letter agreement.

Very truly yours,

Liberty Interactive Corporation

By: /s/ Richard N. Baer
Name: Richard N. Baer
Title: Senior Vice President and General Counsel

CONFIRMED AND AGREED
as of the date first written above:

zulily, inc.

By: /s/ Deirdre Runnette
Name: Deirdre Runnette
Title: General Counsel

[Signature Page to Exclusivity Letter]

Exhibit (d)(5)

EXECUTION VERSION

LOCK-UP AGREEMENT

August 16, 2015

Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Ladies and Gentlemen:

The undersigned, Darrell Cavens ("Cavens" or the "undersigned"), beneficially owns, on the date hereof, an aggregate of 0 issued and outstanding shares of Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), and 21,015,781 issued and outstanding shares of Class B common stock, par value $0.0001 per share (the "Class B Common Stock" and together with any issued and outstanding shares of Class A Common Stock or Class B Common Stock that the undersigned may acquire beneficial ownership (as that term is used in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of prior to the First Effective Time, the "Company Common Stock"), of zulily, inc, a Delaware corporation (the "Company"). The undersigned is entering into this letter agreement as an inducement to you to enter into, and consummate the transactions contemplated by, that certain Agreement and Plan of Reorganization (the "Agreement"), dated as of August 16, 2015, by and among Liberty Interactive Corporation, a Delaware corporation ("Parent"), Mocha Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Merger Sub 2 ("Purchaser"), Ziggy Merger Sub, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Parent ("Merger Sub 2"), and the Company. The undersigned has received a copy of the Agreement, and is familiar with its terms. Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Agreement.

1. Lock-Up Shares.

   a. Pursuant to the terms of the Agreement, the undersigned will receive, in exchange for all of the shares of Company Common Stock (x) validly tendered (and not validly withdrawn) by them in the Offer as of the Acceptance Time and (y) owned by them at the First Effective Time, the Cash Consideration and shares of QVC Group Series A common stock, par value $.01 per share ("Parent QVC Series A Stock"), of Parent. The shares of Parent QVC Series A Stock issued to the undersigned in connection with the Offer and the First Merger in exchange for all shares of Company Common Stock tendered in the Offer or converted in the First Merger, other than Pro Ration Shares, are referred to herein as the "Lock-Up Shares." "Proration Shares" means any shares of Parent QVC Series A Stock issued to the

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undersigned as a result of the adjustment contemplated by Section 2.1(d) of the Agreement.

   b. This letter agreement shall only apply to the Lock-Up Shares, and shall not apply to any Pro Ration Shares or other shares of Parent QVC Series A Stock acquired by the undersigned after the First Effective Time pursuant to the exercise or vesting of equity incentive awards or purchases made in the open market.

2. Transfer Restrictions. Except as may otherwise be provided herein and only with respect to those Lock-Up Shares subject to the terms of this letter agreement as of any date of determination, the undersigned agrees that it or he will not, directly or indirectly, sell, offer or agree to sell, transfer, assign, encumber, hypothecate or similarly dispose of, grant any option for the sale of, pledge, make any short sale or maintain any short position, establish or maintain any "put equivalent position" (within the meaning of Rule 16a-1(h) under the Exchange Act), enter into any swap, derivative transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Shares, or otherwise dispose of, any Lock-Up Shares or any interest therein, or publicly disclose the intention to do any of the foregoing without the prior written consent of Parent, provided, that the undersigned may transfer Lock-Up Shares (A) to a trust, the beneficiaries of which are exclusively the undersigned natural persons and/or one or more of the undersigned natural person's immediate family members, or to any such beneficiaries or other trusts or entities for the benefit of immediate family members, (B) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or an immediate family member of the undersigned natural persons, (C) as a bona fide gift or gifts to an immediate family member of the undersigned natural persons, (D) to any corporation, partnership, limited liability company or other trust or entity, all of the beneficial ownership interests of which are held by the undersigned or one or more of the undersigned natural person's immediate family members or a trust for the benefit of one or more immediate family members, (E) upon operation of law pursuant to a qualified domestic order or in connection with a divorce settlement or (F) consisting of up to 500,000 Lock-Up Shares in the aggregate to a bona fide charity or charitable foundation; provided, further, that in the case of a permitted transfer as provided in this sentence, the applicable recipient(s) agrees in writing to be bound by the restrictions set forth in this letter agreement as if such recipient(s) had been an original party hereto, prior to such transfer. For purposes of this letter agreement, "immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (or any lineal descendants of any of the foregoing persons). The prohibitions contained in Section 2 shall terminate and have no further force or effect as to a number of Lock Up Shares (rounded up to the nearest whole number) equal to one-fourth (1/4) of the initial number of Lock Up Shares subject to this letter agreement (as adjusted pursuant to Section 3) on the six-month, twelve-month, eighteen-month and twenty-four-month anniversaries of the First Effective Time (it being understood that Cavens shall be

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entitled to determine how to allocate the released Lock-Up Shares among any Persons that become bound by the restrictions set forth in this letter agreement pursuant to the immediately preceding sentence). Notwithstanding anything to the contrary contained in this letter agreement, the restrictions set forth in Section 2 shall not come into effect (and shall not exist) if the Offer and the Mergers, taken together, do not qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended pursuant to a final determination of the Internal Revenue Service (or other evidence reasonably satisfactory to Parent to such effect.

3. Adjustment to Shares. The number of shares of Parent QVC Series A Stock and type of shares constituting Lock-Up Shares at any time of determination shall be appropriately adjusted by Parent (in its reasonable determination) in the event of any stock split, stock dividend, reverse stock split, combination, reclassification or other similar action with respect to the Parent QVC Series A Stock.

4. Legend. Any attempted transfer or disposition in violation of this letter agreement will be of no effect and null and void *ab initio*, regardless of whether the proposed transferee has any actual or constructive knowledge of the transfer restrictions set forth in this letter agreement. In furtherance of the foregoing, Parent and its transfer agent are hereby authorized to decline to make any transfer of shares of Parent QVC Series A Stock constituting Lock-Up Shares if such transfer would constitute a violation or breach of this letter agreement. During the period that any shares of Parent QVC Series A Stock are Lock-Up Shares subject to the terms of this letter agreement, any transaction advice from Computershare, Inc. (or any successor transfer agent of Parent), including as to any securities issued in respect of Lock-Up Shares upon any stock split, stock dividend, reverse stock split, combination, reclassification or similar action with respect to the Parent QVC Series A Stock, with respect to the restricted book position created through the Direct Registration System of Computershare, Inc. for the Lock-Up Shares issued

in the name of the undersigned, shall bear a legend or notation in substantially the following form: "The shares shown on this report are subject to the transfer restrictions contained in the Lock-Up Agreement dated as of August 16, 2015, between the registered or beneficial holder hereof and Liberty Interactive Corporation, and may not be transferred except in compliance therewith. A copy of such agreement is available from the Secretary of Liberty Interactive Corporation." At such time as any shares of Parent QVC Series A Stock cease to be Lock-Up Shares in accordance with the terms of this letter agreement, Parent shall cause the transfer agent for the Parent QVC Series A Stock to remove such legend or notation.

5. Termination. This letter agreement shall terminate automatically upon the first to occur of (i) the termination of the Agreement in accordance with its terms and (ii) the mutual written consent of each party hereto. Upon termination of this letter agreement, no party shall have any further obligations or liabilities under this letter agreement; provided, however, that nothing in this Section 5 shall relieve any party from any liability for breach of this letter agreement prior to such termination.

6. Representations and Warranties.

   a. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this letter agreement. All authority conferred or agreed to be conferred and any obligations of the undersigned under this letter agreement will be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

   b. Cavens acknowledges and agrees that, there are no previous or existing arrangements with the Company or any of its affiliates, he is not entitled to receive nor will he receive any gross-up or additional payment from the Company or its affiliates by reason of the "additional tax" or "excise tax" required by Section 409A or 4999 of the Internal Revenue Code being imposed on him.

7. Irrevocability. The undersigned understands that (i) each of Parent, Purchaser and Merger Sub 2 is relying upon this letter agreement in proceeding toward consummation of the Transactions, including the Offer and the First Merger, and (ii) this letter agreement is irrevocable.

8. Amendment; Waiver. This letter agreement may not be amended, altered or modified and the provisions hereof may not be waived except by a written instrument executed by Parent.

9. Complete Agreement. This letter agreement constitutes and contains the entire agreement and understanding concerning the subject matters addressed herein between the parties and supersedes any other agreement, whether written or oral, between the parties concerning the subject matter hereof.

10. Severability. If any provision of this letter agreement is declared by any court or arbitrator to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this letter agreement, which shall remain in full force and effect. In addition, the parties agree that a court (or arbitrator, as applicable) may, and is directed to, revise any such provision so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial (or arbitral) intervention, they shall renegotiate any invalidated or unenforceable provision so as to accomplish its objective to the extent permitted by law.

11. Assignment. Without the prior written consent of Parent, the undersigned shall not assign or transfer this letter agreement or any right or obligation under this letter agreement to any other Person.

12. Notices. All notices and other communications required or permitted hereunder, or in connection herewith, shall be in writing and shall be deemed given (i) when delivered in person, (ii) upon transmission by (A) electronic mail or (B) facsimile transmission

as evidenced by confirmation of transmission to the sender (in each case, but only if followed by transmittal of a copy thereof by (x) national overnight courier or (y) hand delivery with receipt, in each case, for delivery by the second (2nd) Business Day following such electronic mail or facsimile transmission), (C) on receipt after dispatch by registered or certified mail, postage prepaid and addressed, or (D) on the next Business Day if transmitted by national overnight courier, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

if to Parent, to:

Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: General Counsel
Telephone No.: (720) 875-5300
Facsimile No.: (720) 875-5401
E-mail: legalnotices@libertymedia.com

with a copy to (which shall not constitute notice):

Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
Attention: Jonathan Gordon
Renee Wilm
Telephone No.: (212) 408-2500
Facsimile No.: (212) 259-2500
E-mail: jonathan.gordon@bakerbotts.com
renee.wilm@bakerbotts.com

if to the undersigned, to:

Darrell Cavens
c/o zulily, inc.
2601 Elliott Ave., Suite 200
Seattle, WA 98122
Attention: Darrell Cavens

Telephone No.: 206-454-3322
Facsimile No.: 206-299-3772
E-mail: Darrell@zulily.com

13. Governing Law. This letter agreement shall be governed and construed in accordance with the Laws of the State of Delaware without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

14. Enforcement; Consent to Jurisdiction. The parties hereto agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this letter agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this letter agreement and to enforce specifically the terms and provisions of this letter agreement in the Delaware Court of Chancery (or if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or, if under applicable Law exclusive jurisdiction over such matter is vested in the federal courts, any federal court located in the State of Delaware without proof of actual damages or otherwise (and each party hereto hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereto hereby irrevocably and unconditionally (a) submits to the sole and exclusive jurisdiction of the Delaware Court of Chancery (or if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) in respect of the interpretation and enforcement of the provisions of this letter agreement and of the documents referred to in this letter agreement, and in respect of the transactions contemplated hereby, (b) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request for leave from any such court, and agrees not to plead or claim any objection to the laying of venue in any such court or that any judicial proceeding in any such court has been brought in an inconvenient forum, (c) agrees that it will not bring any action relating to this letter agreement or any of the transactions contemplated by this letter agreement in any court other than the Court of Chancery of the State of Delaware and any federal court located in the State of Delaware, or, if neither of such courts has subject matter jurisdiction, any state court of the State of Delaware having subject matter jurisdiction, and (d) consents to service of process being made through the notice procedures set forth in Section 12.

15. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER

VOLUNTARILY AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS LETTER AGREEMENT.

16. Headings. The headings used in this letter agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof. All section references contained in this letter agreement are to sections of this letter agreement, except where the context requires otherwise.

17. Legal Counsel. The parties recognize that this is a legally binding contract and acknowledge and agree that they have had the opportunity to consult with legal counsel of their choice.

[Signature Page Follows.]

This letter agreement shall become effective upon the consummation of the Offer and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of each of the undersigned.

Very truly yours,

/s/ Darrell Cavens
Darrell Cavens

Agreed and Acknowledged:

LIBERTY INTERACTIVE CORPORATION

By:
Title:
Date:

[Lock-Up Agreement Signature Page]

This letter agreement shall become effective upon the consummation of the Offer and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of each of the undersigned.

Very truly yours,

Darrell Cavans

Agreed and Acknowledged:

LIBERTY INTERACTIVE CORPORATION

/s/ Craig Troyer
By: Craig Troyer
Title: Vice President and Deputy General Counsel
Date: August 16, 2015

[Lock-Up Agreement Signature Page]

Exhibit (d)(6)

EXECUTION VERSION

LOCK-UP & NON-COMPETITION AGREEMENT

August 16, 2015

Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Ladies and Gentlemen:

The undersigned, Mark Vadon ("Vadon"), Vadon Holdings LLC ("Vadon Holdings"), and Lake Tana LLC ("Lake Tana" and together with Vadon and Vadon Holdings, the "undersigned"), beneficially own, on the date hereof, an aggregate of 425,210 issued and outstanding shares of Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), and 34,142,685 issued and outstanding shares of Class B common stock, par value $0.0001 per share (the "Class B Common Stock" and together with any issued and outstanding shares of Class A Common Stock or Class B Common Stock that the undersigned may acquire beneficial ownership (as that term is used in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of prior to the First Effective Time, the "Company Common Stock"), of zulily, inc, a Delaware corporation (the "Company"). Each of the undersigned is entering into this letter agreement as an inducement to you to enter into, and consummate the transactions contemplated by, that certain Agreement and Plan of Reorganization (the "Agreement"), dated as of August 16, 2015, by and among Liberty Interactive Corporation, a Delaware corporation ("Parent"), Mocha Merger Sub, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Merger Sub 2 ("Purchaser"), Ziggy Merger Sub, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Parent ("Merger Sub 2"), and the Company. Each of the undersigned has received a copy of the Agreement, and is familiar with its terms. Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Agreement.

1. Lock-Up Shares.

   a. Pursuant to the terms of the Agreement, the undersigned will receive, in exchange for all of the shares of Company Common Stock (x) validly tendered (and not validly withdrawn) by them in the Offer as of the Acceptance Time and (y) owned by them at the First Effective Time, the Cash Consideration and shares of QVC Group Series A common stock, par value $.01 per share ("Parent QVC Series A Stock"), of Parent. The shares of Parent QVC Series A Stock issued to the undersigned in connection with the Offer and the First Merger in exchange for all shares of Company Common Stock tendered in the Offer or converted in the First Merger, other than Pro Ration Shares, are referred to herein as the "Lock-Up Shares." "Proration

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Shares" means any shares of Parent QVC Series A Stock issued to the undersigned as a result of the adjustment contemplated by Section 2.1(d) of the Agreement.

   b. This letter agreement shall only apply to the Lock-Up Shares, and shall not apply to any Pro Ration Shares or other shares of Parent QVC Series A Stock acquired by the undersigned after the First Effective Time pursuant to the exercise or vesting of equity incentive awards or purchases made in the open market.

2. Transfer Restrictions. Except as may otherwise be provided herein and only with respect to those Lock-Up Shares subject to the terms of this letter agreement as of any date of determination, each of the undersigned agrees that it or he will not, directly or indirectly, sell, offer or agree to sell, transfer, assign, encumber, hypothecate or similarly dispose of, grant any option for the sale of, pledge, make any short sale or maintain any short position, establish or maintain any "put equivalent position" (within the meaning of Rule 16a-1(h) under the Exchange Act), enter into any swap, derivative transaction or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Shares, or otherwise dispose of, any Lock-Up Shares or any interest therein, or publicly disclose the intention to do any of the foregoing without the prior written consent of Parent, provided, that the undersigned may transfer Lock-Up Shares (A) to any other undersigned or its members or other equity holders; (B) to a trust, the beneficiaries of which are exclusively the undersigned natural persons and/or one or more of the undersigned natural person's immediate family members, or to any such beneficiaries or other trusts or entities for the benefit of immediate family members, (C) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or an immediate family member of the undersigned natural persons, (D) as a bona fide gift or gifts to an immediate family member of the undersigned natural persons, (E) to any corporation, partnership, limited liability company or other trust or entity, all of the beneficial ownership interests of which are held by the undersigned or one or more of the undersigned natural person's immediate family members or a trust for the benefit of one or more immediate family members, (F) upon operation of law pursuant to a qualified domestic order or in connection with a divorce settlement or (G) consisting of up to 1,500,000 Lock-Up Shares in the aggregate to a bona fide charity or charitable foundation; provided, further, that in the case of a permitted transfer as provided in this sentence, the applicable recipient(s) agrees in writing to be bound by the restrictions set forth in this letter agreement as if such recipient(s) had been an original party hereto, prior to such transfer. For purposes of this letter agreement, "immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (or any lineal descendants of any of the foregoing persons). The prohibitions contained in Section 2 shall terminate and have no further force or effect as to a number of Lock Up Shares (rounded up to the nearest whole number) equal to one-fourth (1/4) of the initial number of Lock Up Shares subject to this letter agreement (as adjusted pursuant to Section 3) on the six-

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month, twelve-month, eighteen-month and twenty-four-month anniversaries of the First Effective Time (it being understood that Vadon shall be entitled to determine how to allocate the released Lock-Up Shares among the undersigned and any other Persons that become bound by the restrictions set forth in this letter agreement pursuant to the immediately preceding sentence). Notwithstanding anything to the contrary contained in this letter agreement, the restrictions set forth in Section 2 shall: (a) not come into effect (and shall not exist) if the Offer and the Mergers, taken together, do not qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended pursuant to a final determination of the Internal Revenue Service (or other evidence reasonably satisfactory to Parent to such effect); and (b) terminate and cease to be of any further force or effect: (i) if, at any time (and as of such time as), Vadon is not nominated (or is not elected) to serve as a member of the Parent Board (but not if he resigns or is removed from the Parent Board for cause); or (ii) if there is a Change of Control and thereafter Vadon is not nominated (or is not elected) to the board of the surviving company. "Change of Control" means: (A) the acquisition by a Person or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934) of Persons (other than Parent or any of its Affiliates or John C. Malone), directly or indirectly, of at least a majority of the outstanding voting power of Parent or QVC, Inc. (by means of any stock acquisition, reorganization, merger or similar transaction); or (B) the sale to a Person (other than Parent or any of its Affiliates) of all or substantially all of the assets of Parent or QVC, Inc.

3. Adjustment to Shares. The number of shares of Parent QVC Series A Stock and type of shares constituting Lock-Up Shares at any time of determination shall be appropriately adjusted by Parent (in its reasonable determination) in the event of any stock split, stock dividend, reverse stock split, combination, reclassification or other similar action with respect to the Parent QVC Series A Stock.

4. Legend. Any attempted transfer or disposition in violation of this letter agreement will be of no effect and null and void *ab initio*, regardless of whether the proposed transferee has any actual or constructive knowledge of the transfer restrictions set forth in this letter agreement. In furtherance of the foregoing, Parent and its transfer agent are hereby authorized to decline to make any transfer of shares of Parent QVC Series A Stock constituting Lock-Up Shares if such transfer would constitute a violation or breach of this letter agreement. During the period that any shares of Parent QVC Series A Stock are Lock-Up Shares subject to the terms of this letter agreement, any transaction advice from Computershare, Inc. (or any successor transfer agent of Parent), including as to any securities issued in respect of Lock-Up Shares upon any stock split, stock dividend, reverse stock split, combination, reclassification or similar action with respect to the Parent QVC Series A Stock, with respect to the restricted book position created through the Direct Registration System of Computershare, Inc. for the Lock-Up Shares issued in the name of the undersigned, shall bear a legend or notation in substantially the following form: "The shares shown on this report are subject to the transfer restrictions contained in the Lock-Up & Non-Competition Agreement dated as of August 16, 2015, between the registered

or beneficial holder hereof and Liberty Interactive Corporation, and may not be transferred except in compliance therewith. A copy of such agreement is available from the Secretary of Liberty Interactive Corporation." At such time as any shares of Parent QVC Series A Stock cease to be Lock-Up Shares in accordance with the terms of this letter agreement, Parent shall cause the transfer agent for the Parent QVC Series A Stock to remove such legend or notation.

5. Acknowledgements by Vadon. Vadon acknowledges and agrees that (a) due to the nature of his association with the Company, he has confidential, proprietary and trade secret information relating to the business of the Company; (b) the purposes of the restrictive covenants in this letter agreement are to protect the goodwill and confidential, proprietary and trade secret information of Parent following the closing of the Transactions; (c) the covenants set forth in this letter agreement are reasonable and necessary to protect and preserve the value of the business of Parent; (d) Vadon is a stockholder of the Company and is receiving substantial and valuable consideration as part of the Transactions; and (e) Parent has required that Vadon enter into the covenants set forth in Section 6 as a condition to Parent entering into the Agreement and has informed the undersigned that Parent would not enter into the Agreement without Vadon's agreement to be bound by the agreements set forth in Section 6.

6. Restrictive Covenants.

   a. Restrictive Covenants: Vadon agrees that, provided he is appointed to the Parent Board in accordance with Section 6(c)(i), from the First Effective Time until the one year anniversary of the termination of his membership on the Parent Board (the "Restricted Period"), he shall not, directly or indirectly:

      i. within the United States and elsewhere where the Surviving Company conducts business, (A) be employed by, act as an agent for, or consult with or otherwise perform services for a Competitor (as defined below) or (B) own any equity interest in, manage or participate in the management (as an officer, director, partner, member or otherwise) of, or be connected in any other manner with, a Competitor (except that nothing in this letter agreement shall restrict: (1) ownership of less than (x) ten percent (10%) of the equity interests of any privately held entity or Person or (y) five percent (5%) of the equity interests of any publicly held entity or Person, (2) serving as an employee of, agent for or consultant or advisor to (or in any other capacity in) any division of any Competitor as long as: (aa) Vadon's role and responsibilities do not involve (other than incidentally) Competition; and (bb) no more than 25% of the gross revenues derived by such Competitor in the preceding fiscal year is from businesses that constitute Competition, and (3) participating as an investor, partner, member, officer, director, employee or advisor (or in any other capacity) of, in or to any venture, private equity or similar fund or entity that invests in any Competitors

as long as Vadon is not involved in (other than incidentally) and does not advise on such investments). As used in this letter agreement, "Competitor" means any individual or entity that is directly or indirectly engaged, or is preparing to engage, in any business which is competitive with any business in which QVC, Inc. or the Surviving Company is engaged, or is preparing to engage, as of the First Effective Time or as of any other time during which Vadon is on the Parent Board, without the prior written consent of the Surviving Company (and "Competition" means any such activity); provided, however, that for purposes of Section 6(a)(i)(B) (including, for the avoidance of doubt, Vadon acting as a director or investor in any Competitor), without limitation, an individual or entity shall not be deemed to be a "Competitor" if: (x) it does not derive a material amount of revenues from electronic commerce flash sales or TV-based shopping; and (y) less than 50% of its gross revenues for the preceding fiscal year are derived from (and less than 50% of its gross revenues for the following fiscal year are expected to be derived from) retail sales of goods and services in one or more of the following categories through the internet, broadband or mobile services or similar means: home, beauty, apparel, jewelry, accessories, electronics, and any other category that accounts for at least 10% of the gross revenues of QVC, Inc. or the Surviving Company for the preceding fiscal year (or is expected to account for at least 10% of the gross revenues of QVC, Inc. or the Surviving Company for the following fiscal year); and/or

      ii. solicit, induce or attempt to solicit or induce any person who was an employee of the Surviving Company as of the First Effective Time or who becomes an employee of the Surviving Company at any time while Vadon is serving as a member of the Parent Board to leave the employ of the Surviving Company; provided, however that: (A) "solicit" shall not include the solicitation of any such person by any general advertising, including in a newspaper or periodical of general circulation or on a website not specifically targeted to such person or by an employee or executive search firm acting on behalf of the undersigned, if neither the undersigned nor any of its affiliates instructed or encouraged the solicitation of a specific person; and (B) nothing in this letter agreement shall prohibit the undersigned from soliciting, inducing or attempting to solicit or induce: (1) any person after such person's employment with the Surviving Company has ended (as long as such person's employment with the Surviving Company did not end as a result of conduct in violation of this Section 6.a.ii); or (2) any person who approaches the undersigned on her or his own initiative.

   b. Confidentiality. Vadon agrees at all times during the Restricted Period and thereafter, to hold in strictest confidence, and not to use or to disclose to any

Person without written authorization of the Board of Directors of the Surviving Company, any Confidential Information of the Surviving Company. Vadon understands that "Confidential Information" means any Surviving Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, proprietary research, product plans, products, services, suppliers, customer lists, prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to Vadon by the Surviving Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. Vadon understands that Confidential Information includes, but is not limited to, proprietary information pertaining to any aspect of the Surviving Company's business which is either information not known by actual or potential competitors of the Surviving Company or other third parties not under confidentiality obligations to the Surviving Company, or is otherwise proprietary

information of the Surviving Company or its customers or suppliers, whether of a technical nature or otherwise. Vadon further understands that Confidential Information does not include any of the foregoing items that: (i) have become publicly known and made generally available through no wrongful act of his or of other affiliates of his who were under confidentiality obligations as to the item or items involved; (ii) have become known to Vadon from sources that, to Vadon's knowledge after reasonable inquiry, were not bound by confidentiality obligations to the Surviving Company; (iii) are required to be disclosed by applicable Law or legal process; or (iv) are independently developed by Vadon without reference to the foregoing items. Notwithstanding the foregoing, it is understood by the parties that in the course of his service with the Company, Vadon may retain mental recollections or other impressions as a result of having had access to or knowledge of the Company's Confidential Information, and Parent and the Company agree that such retained mental impressions shall not impede or restrict Vadon from engaging in work for a subsequent employer or enterprise so long as Confidential Information is not expressly disclosed to such subsequent employer or enterprise.

c. Acknowledgments.

i. Vadon acknowledges and agrees that the restrictions set forth in this Section 6 are critical and necessary to protect the Surviving Company's legitimate business interests; will not impose an undue hardship on Vadon; are reasonable in duration, scope, and otherwise; are not injurious to the public interest; and are supported by adequate consideration.

ii. Vadon further acknowledges and agrees that: (1) any other claims against the Surviving Company will not be a defense to the Surviving

Company's enforcement of this Section 6, (2) if any covenant set forth in this Section 6 is deemed invalid or unenforceable for any reason, it is the intention of the parties that such covenant(s) be equitably reformed or modified only to the extent necessary to render them valid and enforceable in all respects, (3) in the event that any time period and/or geographic scope referenced in this Section 6 is held by a court of competent jurisdiction to be unreasonable, overbroad, or otherwise invalid, it is the intention of the parties that the enforcing court reduce or modify the time period and/or geographic scope only to the extent necessary to render such covenants reasonable, valid, and enforceable in all respects, (4) Vadon's obligations under this Section 6 shall be tolled during any period that a court of competent jurisdiction determines that he is in breach of any of the obligations under this Section 6, so that the Surviving Company is provided with the full benefit of the restrictive periods set forth herein, and (5) Vadon specifically authorizes the Surviving Company to contact his future employers or potential employers to confirm his compliance with this Section 6 and/or to furnish copies of this letter agreement to such employers.

iii. The Surviving Company cannot be reasonably or adequately compensated in damages in an action at law in the event Vadon breaches his obligations under this Section 6. As a result, in the event that Vadon breaches any of the provisions in this Section 6, he agrees that the Surviving Company will suffer immediate, irreparable injury and will, therefore, be entitled to injunctive relief, in addition to any other legal and/or equitable damages to which it may be entitled, as well as the costs and reasonable attorneys' fees incurred in enforcing its rights under this Section 6.

iv. Provided that Vadon meets the eligibility requirements to serve as a member of the Parent Board, Parent shall, effective as of the Closing and subject to applicable laws regarding the appointment of directors between shareholder meetings, (i) establish a vacancy on the Parent Board (including, if necessary to create such vacancy, increasing the size of the Parent Board by one member) and (ii) cause Vadon to be appointed to fill such vacancy and serve as a director of Parent. If at any time following the First Effective Time: (A) Vadon is not nominated (or is not elected) to serve as a member of the Parent Board (but not if he resigns or is removed from the Parent Board for cause) or (B) there occurs a Change of Control or QVC, Inc. becomes a publicly traded company and in either case in this clause (B), Vadon is (i) not nominated (or is not elected) to the surviving company or resulting board of directors of QVC, Inc. or (ii) not otherwise put in a position acceptable to Vadon in his sole discretion in which he is deemed to have continuing service to the surviving or resulting company such that his Assumed Options will continue to vest, then, in the case of

clause "(A)" or "(B)" of this sentence, as applicable, all Assumed Options (to the extent not already vested) shall immediately vest and become exercisable.

v. Notwithstanding anything to the foregoing in this Agreement, for as long as Vadon is a member of the Parent Board, in the event of a conflict between the policies of the Parent Board and any provision of this Agreement, the stricter of such policies and such provision of this Agreement shall control.

7. Termination. This letter agreement shall terminate automatically upon the first to occur of (i) the termination of the Agreement in accordance with its terms and (ii) the mutual written consent of each party hereto. Upon termination of this letter agreement, no party shall have any further obligations or liabilities under this letter agreement; provided, however, that nothing in this Section 7 shall relieve any party from any liability for breach of this letter agreement prior to such termination.

8. Representations and Warranties.

a. Each of the undersigned hereby represents and warrants that each of the undersigned has full power and authority to enter into this letter agreement. All authority conferred or agreed to be conferred and any obligations of each of the undersigned under this letter agreement will be binding upon the successors, assigns, heirs or personal representatives of such undersigned.

b. Vadon acknowledges and agrees that, there are no previous or existing arrangements with the Company or any of its affiliates, he is not entitled to receive nor will he receive any gross-up or additional payment from the Company or its affiliates by reason of the "additional tax" or "excise tax" required by Section 409A or 4999 of the Internal Revenue Code being imposed on him.

9. Irrevocability. Each of the undersigned understands that (i) each of Parent, Purchaser and Merger Sub 2 is relying upon this letter agreement in proceeding toward consummation of the Transactions, including the Offer and the First Merger, and (ii) this letter agreement is irrevocable.

10. Amendment; Waiver. This letter agreement may not be amended, altered or modified and the provisions hereof may not be waived except by a written instrument executed by Parent.

11. Complete Agreement. This letter agreement constitutes and contains the entire agreement and understanding concerning the subject matters addressed herein between the parties and supersedes any other agreement, whether written or oral, between the parties concerning the subject matter hereof.

12. Severability. If any provision of this letter agreement is declared by any court or arbitrator to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this letter agreement, which shall remain in full force and effect. In addition, the parties agree that a court (or arbitrator, as applicable) may, and is directed to, revise any such provision so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial (or arbitral) intervention, they shall renegotiate any invalidated or unenforceable provision so as to accomplish its objective to the extent permitted by law.

13. Assignment. Without the prior written consent of Parent, the undersigned shall not assign or transfer this letter agreement or any right or obligation under this letter agreement to any other Person.

14. Notices. All notices and other communications required or permitted hereunder, or in connection herewith, shall be in writing and shall be deemed given (i) when delivered in person, (ii) upon transmission by (A) electronic mail or (B) facsimile transmission as evidenced by confirmation of transmission to the sender (in each case, but only if followed by transmittal of a copy thereof by (x) national overnight courier or (y) hand delivery with receipt, in each case, for delivery by the second (2nd) Business Day following such electronic mail or facsimile transmission), (C) on receipt after dispatch by registered or certified mail, postage prepaid and addressed, or (D) on the next Business Day if transmitted by national overnight courier, in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

if to Parent, to:

Liberty Interactive Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: General Counsel
Telephone No.: (720) 875-5300
Facsimile No.: (720) 875-5401
E-mail: legalnotices@libertymedia.com

with a copy to (which shall not constitute notice):

Baker Botts L.L.P.
30 Rockefeller Plaza
New York, New York 10112
Attention: Jonathan Gordon
Renee Wilm
Telephone No.: (212) 408-2500

Facsimile No.: (212) 259-2500
E-mail: jonathan.gordon@bakerbotts.com
renee.wilm@bakerbotts.com

if to any of the undersigned, to:

Mark Vadon
c/o zulily, inc.
2601 Elliott Ave., Suite 200
Seattle, WA 98122
Attention: Mark Vadon
Telephone No.: 206-454-3322
Facsimile No.: 206-299-3772
E-mail: mark@zulily.com

with a copy to (which shall not constitute notice):

Robert H. Blais, CEO
Pando Capital, LLC
2608 Second Ave. # 294
Seattle, WA 98121
E-mail: bob@pandonorthwest.com

15. Governing Law. This letter agreement shall be governed and construed in accordance with the Laws of the State of Delaware without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

16. Enforcement; Consent to Jurisdiction. The parties hereto agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this letter agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this letter agreement and to enforce specifically the terms and provisions of this letter agreement in the Delaware Court of Chancery (or if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or, if under applicable Law exclusive jurisdiction over such matter is vested in the federal courts, any federal court located in the State of Delaware without proof of actual damages or otherwise (and each party hereto hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereto hereby irrevocably and unconditionally (a) submits to the sole and exclusive jurisdiction of the Delaware Court of Chancery (or if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) in respect of the interpretation and enforcement of the provisions of this letter agreement and of the documents referred to in this letter

agreement, and in respect of the transactions contemplated hereby, (b) agrees that it will not attempt to deny or defeat such jurisdiction by motion or other request

for leave from any such court, and agrees not to plead or claim any objection to the laying of venue in any such court or that any judicial proceeding in any such court has been brought in an inconvenient forum, (c) agrees that it will not bring any action relating to this letter agreement or any of the transactions contemplated by this letter agreement in any court other than the Court of Chancery of the State of Delaware and any federal court located in the State of Delaware, or, if neither of such courts has subject matter jurisdiction, any state court of the State of Delaware having subject matter jurisdiction, and (d) consents to service of process being made through the notice procedures set forth in Section 14.

17. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS LETTER AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS LETTER AGREEMENT.

18. Headings. The headings used in this letter agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof. All section references contained in this letter agreement are to sections of this letter agreement, except where the context requires otherwise.

19. Legal Counsel. The parties recognize that this is a legally binding contract and acknowledge and agree that they have had the opportunity to consult with legal counsel of their choice.

[Signature Page Follows.]

This letter agreement shall become effective upon the consummation of the Offer and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of each of the undersigned.

Very truly yours,

/s/ Mark Vadon
Mark Vadon

VADON HOLDINGS LLC

/s/ Mark Vadon
By: Mark Vadon
Title: Manager
Date: August 16, 2015

LAKE TANA LLC

/s/ Mark Vadon
By: Mark Vadon
Title: Manager
Date: August 16, 2015

Agreed and Acknowledged:

LIBERTY INTERACTIVE CORPORATION

By:
Title:
Date:

[Lock-Up & Non-Compete Agreement Signature Page]

This letter agreement shall become effective upon the consummation of the Offer and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of each of the undersigned.

Very truly yours,

Mark Vadon

VADON HOLDINGS LLC

By:
Title:
Date:

LAKE TANA LLC

By:
Title:
Date:

Agreed and Acknowledged:

LIBERTY INTERACTIVE CORPORATION

/s/ Craig Troyer

By: Craig Troyer
Title: Vice President and Deputy General Counsel
Date: August 16, 2015

ZIGGY MERGER SUB, LLC
EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this "*Agreement*") is entered into this 16th day of August, 2015 by and between Ziggy Merger Sub, LLC (the "*Employer*") and Darrell Cavens (referred to in this Agreement as "*Executive*" or "*you*").

WHEREAS, the Executive is currently employed by zulily, inc.;

WHEREAS, in connection with the consummation of the transactions contemplated by that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, the Employer, Mocha Merger Sub, LLC and zulily, inc. (the "*Merger Agreement*"), zulily, inc. will be acquired by Liberty Internactive Corporation and Executive will receive significant compensation in connection therewith

WHEREAS, effective as of the First Effective Time (as such term is defined in the Merger Agreement) the Employer desires to continue to employ the Executive on the terms and conditions, and for the consideration, hereinafter set forth and the Executive desires to be employed by the Employer on such terms and conditions and for such consideration; and

WHEREAS, the Merger Agreement contemplates that the Executive and the Employer will enter into this Agreement, and the Executive's agreement to the terms set forth herein, including the restrictive covenants set forth in the Restrictive Covenants Agreement (as defined in Section 6), is a material consideration for Mocha Merger Sub, LLC, the Employer and Liberty Interactive Corporation to enter into the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. **Position; Term**. The Employer hereby employs Executive and Executive hereby accepts employment with the Employer as Executive Vice President, Chief Executive Officer of Employer for a period commencing upon the First Effective Time and continuing for the three (3) year period following the First Effective Time (the "*Initial Term*") and shall thereafter automatically renew for additional twelve (12) month periods (each, a "*Renewal Term*"), unless sooner terminated during the Initial Term or Renewal Term in accordance with this Agreement or written notice is given by one party to the other at least 90 days prior to the expiration of the Initial Term or any Renewal Term, as applicable. The Initial Term and any Renewal Term are herein collectively referred to as the "Term."

2. **Duties**. You will perform those duties for the Employer that are consistent with the positions described above for the Employer and any other comparable duties or positions that are reasonably assigned to you from time to time by the Employer. You will report to such persons as may be designated by Liberty Interactive Corporation's executive committee (the "Executive Committee"). from time to time, which will be either to such committee directly or to the Chief Executive Officer of QVC, Inc. You will devote your entire productive business time, attention and energies to the performance of your duties to the Employer, except as expressly consented to in accordance with this Section 2 or Section I.A of the Restrictive Covenants Agreement (as defined in Section 6). You will use reasonable best efforts to advance the interests and business of the Employer and their respective Affiliates, and will abide by all rules, regulations and policies applicable to employees and senior executives of the Employer as may be in effect from time to time. You may serve on the boards of certain outside for-profit or nonprofit entities with the written consent of the Chief Executive Officer of QVC, Inc., which shall not be unreasonably withheld,

or such other approval process that may be required by the policy of the Employer or any of its Affiliates, as applicable, from time to time.

3. **Compensation**. Your compensation during the Term will be the following, which covers your services to the Employer, and its parent, subsidiaries and other affiliated entities that control, are controlled by or are under common control with, the Employer (together, the "*Affiliates"*), subject in each case to deduction or withholding by the Employer of any amounts that it may be required to deduct or withhold pursuant to any federal, state or local laws, rules or regulations ("*Required Withholding*"):

3.1 **Base Salary**. An initial base salary at an annualized rate of $600,000, payable in accordance with the Employer's payroll practice as in effect from time to time (as such payroll practice may be adjusted from time to time at the Employer's discretion, the "*Base Salary*"); and your Base Salary may be increased from time to time in the discretion of the Compensation Committee of the Board of Directors of Liberty Interactive Corporation (the "*Compensation Committee*").

3.2 **Bonus**. During the Term, you will be eligible for bonus compensation in the Employer's sole discretion for each fiscal year that you perform services for the Employer in accordance with the terms and conditions of the Employer's then-current bonus program. Notwithstanding the generality of the foregoing, as of the date of this Agreement, your annual bonus shall initially be sixty percent (60%) of the Base Salary (the "*Bonus Target*"), and may be increased in the discretion of the Compensation Committee.

3.3 **Long-Term Incentive Compensation**. You will be entitled to participate in the long-term incentive ("*LTI*") compensation program established by Liberty Interactive Corporation on such terms and conditions as determined by the Compensation Committee in its sole discretion; provided that such terms shall not be less favorable than the terms provided for other senior executives at your level in the Employer. Your initial LTI grant under the current program will be made at the same time as the annual LTI grants for other similarly situated senior executives and will be for equity (in a form determined in the discretion of the Compensation Committee with a fair market value of $930,000 at the time of grant, subject to the approval of the Compensation Committee.

3.4 **Benefits**. You will be eligible to participate in all applicable employee benefit plans and programs that are offered to employees of the Employer from time to time on the same basis as that provided to similarly situated employees of the Employer at such time.

4. **Termination of Employment**.

4.1 **Termination Without Cause by the Employer or by You for Good Reason**

(a) **Standard Entitlements**. If your employment with the Employer is terminated by the Employer without Cause (as defined below in Section 4.3) or you resign for Good Reason (as defined below in Section 4.3), you will be entitled to the following, subject in each case to Required Withholding: (i) any Base Salary earned with respect to the period prior to your termination but not yet paid; (ii) reimbursement of any out-of-pocket business expenses incurred by you prior to the date of termination for which you are entitled to reimbursement pursuant to the Employer's then applicable expense reimbursement policies; (iii) amounts or benefits to which you are entitled under any compensation, retirement or benefit plan or practice of Employer at the time of termination in accordance with the terms of such plans or practices; and (iv) any other amounts required to be paid by law (collectively the "*Standard Entitlements*").

(b) **Severance Benefits**. If your employment with the Employer is terminated by the Employer without Cause or you resign for Good Reason (collectively a "*Protected Termination*"), you will also become eligible to receive: (i) an aggregate amount equal to twelve (12) months of your Base Salary (collectively, "*Severance Pay*"), to be paid in equal installments in accordance with the Employer's regular payroll cycle and commencing on the first payroll date following the 60th day following your date of termination; (ii) vesting and exercisability of certain stock options pursuant to Section 4.1(c) below; (iii) if you or any of your eligible dependents elect continued coverage under the medical plan or plans (including any dental, vision, prescription drug, or similar plan) offered to employees of the Employer pursuant to COBRA or any other applicable state law, then, the Employer shall pay your COBRA premiums for a twelve (12)-month period (the "*Severance COBRA Period*") for the comparable level of coverage as you and your eligible dependents were receiving as of your termination date (collectively, "*COBRA Benefits*"), in each case subject to Required Withholding and to Sections 4.2, 4.4, 13 and 14. To the extent applicable and to the extent permitted by law, any COBRA Benefits provided to you and/or your dependents shall be considered part of, and not in addition to, any coverage required under COBRA. Notwithstanding the foregoing, if the Employer's obligation to provide COBRA Benefits would result in the imposition of excise taxes on the Employer or its Affiliates for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the Employer shall discontinue the COBRA Benefits, shall instead pay to you a payment equal to the employer portion of premium costs of health benefits provided to you and your dependents for the remainder of the Severance COBRA Period. Severance Pay does not entitle you to any other ongoing benefits from the Employer and you will not be an employee of the Employer for any purpose during any period that you are receiving Severance Pay.

(c) **Accelerated Vesting.** Upon a Protected Termination, a portion of the 2013 Unvested Options will vest as of the date of such termination, such portion to be equal to (i) the number of 2013 Options *multiplied by* (ii) the lesser of (A) one (1) or (B) a fraction, the numerator of which is the number of days lapsed during the period beginning on May 16, 2013 and ending on the date of the Protected Termination plus 365, and the denominator of which is 1461 *less* (iii) the number of 2013 Vested Options. The exercisability of any 2013 Options, including any that vest because of a Protected Termination, will be extended to the earlier of (x) the original expiration date of the option (determined without reference to any provision in the applicable award agreement that reduces the exercisability of such option upon Executive's termination of employment, but otherwise in accordance with the terms and conditions applicable to such option), or (y) the date that is two years from the date of the Protected Termination (but in no event will be exercisable after the stated term of such option or similar right). For purposes of this Agreement, the following terms have the meanings set forth below:

(1) "*2013 Options*" shall mean those options granted pursuant to that certain Stock Option Grant Agreement with a date of grant of May 16, 2013 between zulily, inc. and the Executive (the "*2013 Stock Option Agreement*") without regard to whether such options are vested, outstanding or unexercised;

(2) "*2013 Unvested Options*" shall mean those options granted pursuant to that certain Stock Option Grant Agreement with a date of grant of May 16, 2013 between zulily, inc. and the Executive (the "*2013 Stock Option Agreement*") that are outstanding and unvested, as of the date of termination of Executive's employment with the Employer; and

(3) "*2013 Vested Options*" shall mean those options granted pursuant to the 2013 Stock Option Agreement that have previously vested pursuant to the terms of the 2013 Stock Option Agreement without regard to whether such options remain outstanding and unexercised.

(d) **No Other Severance**. You acknowledge that the Standard Entitlements and the payments, vesting, and benefits provided herein, constitute the only payments, vesting and benefits you shall be entitled or eligible to receive from the Employer in the event of any Protected Termination, and neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement, except as expressly provided in this Agreement, or otherwise in respect of your employment, and except as may be required by the terms of the Employer's benefit plans and programs.

4.2 **Conditions for Receiving Severance Pay**. In order to receive Severance Pay and COBRA Benefits, you must (i) execute and deliver to the Employer a full general release prepared by and satisfactory to the Employer (and any applicable revocation period applicable to such general release must have expired) within fifty-five (55) days following your termination of employment; (ii) cooperate with the orderly transfer of your duties as requested by the Employer; and (iii) return all Employer property by a date specified by the Employer, but no earlier than five (5) business days after the Employer provides you with written notice to do so. If the Severance Pay becomes payable in accordance with this Section 4.2, an amount equal to the first installment of Severance Pay shall constitute consideration for delivery of the general release contemplated by this Section (the "*Release Consideration*").

4.3 **Termination for Cause or other than for Good Reason; Other Terminations**

(a) **Standard Entitlements for Cause Termination, Resignation without Good Reason, Death, or Disability Termination.**If the Employer terminates your employment for Cause, or if you voluntarily terminate your employment for any reason other than Good Reason, the Standard Entitlements constitute the only payments and benefits you shall be entitled to receive from the Employer and in such case neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement or otherwise in respect of your employment. Without limiting the foregoing, you will not be entitled to receive Severance Pay upon any termination of your employment other than a Protected Termination. For clarity, the following events do not constitute a termination of your employment by the Employer without Cause and therefore you will not be entitled to Severance Pay upon the following events: (1) your death, or (2) termination of your employment by you or the Employer based on your long-term disability (as defined in the Employer's long-term disability plan); provided, however, that nothing in this Agreement effects your entitlement to benefits upon your death or termination of your employment based on your disability for which you are otherwise eligible pursuant to other plans, programs or arrangements maintained by the Employer or its Affiliates.

(b) **"Cause" Definition.** For purposes of this Agreement, "***Cause***" is defined as: (i) any act or omission that constitutes a material breach by you of your obligations under this Agreement; (ii) your failure or refusal (other than any failure which occurs as a result of your disability) to perform material duties required of you as an executive of the Employer to the reasonable satisfaction of the Employer; (iii) any material violation by you of any (x) material policy, rule or regulation of the Employer or (y) any material law or regulation applicable to the business of the Employer or any of its Affiliates; (iv) your act or omission constituting fraud, a material act of dishonesty or breach of fiduciary duty, gross negligence, willful misconduct or intentional and material misrepresentation in relation to your duties to the Employer or with respect to any of its Affiliates, or any of their respective customers, suppliers or other material business relations; or (v) your conviction of, or plea of guilty or nolo contendere to, any crime which constitutes a felony, a crime of moral turpitude, or a misdemeanor which relates to your suitability for employment in your then-current position; provided, however, that in no event will you be terminated for Cause without (x) specific written notification to you of the alleged specific grounds for Cause and (y) a reasonable opportunity for you to be heard by the Executive Committee.

(c) **"Good Reason" Definition.** For purposes of this Agreement, "***Good Reason***" is defined as the occurrence of any of the following without your prior written consent: (i) a

change in the principal location at which you are required to provide services to the Employer to more than fifty (50) miles from Seattle, Washington; (ii) a material decrease in your Base Salary or Bonus Target; (iii) a material reduction of your duties, authority or responsibilities with the Employer from those in effect immediately following the First Effective Time, which causes your position with the Employer to become of less responsibility or authority than your position as of immediately following the commencement of your employment with the Employer; provided, however, that changes to your reporting structure as contemplated by Section 2 shall not constitute Good

Reason; or (iv) a successor to the Employer fails to assume this Agreement in writing upon becoming a successor or assignee of the Employer; provided, however, that termination for Good Reason by you shall not be permitted unless (x) you have given the Employer written notice no later than the date thirty (30) days following the first occurrence of an event giving rise to your assertion that you have a basis for a termination for Good Reason, which notice shall specify the facts and circumstances constituting a basis for termination for Good Reason, (y) the Employer has not remedied such facts and circumstances constituting a basis for termination for Good Reason within the thirty (30)-day cure period following the delivery of such notice (the "*Cure Period*"), and (z) you actually terminate your employment within thirty (30) days following the end of the Cure Period.

4.4 **Compliance with the Non-Competition, Confidentiality, and Proprietary Information Agreement**. You and the Employer acknowledge that any Severance Pay or COBRA Benefits owed to you pursuant to Section 4.1(b), other than that portion constituting the Release Consideration, is part of the consideration for your undertakings under Section 5 and the Restrictive Covenants Agreement (as defined in Section 6) and payment of such amount is subject to your continued compliance with Section 5 and the Restrictive Covenants Agreement. If you violate the provisions of Section 5 or the Restrictive Covenants Agreement, then the Employer will have no obligation to make any of the Severance Pay payments that remain payable by the Employer on or after the date of such violation except to the extent that an amount equal to the Release Consideration has not yet been paid, provided however that the Employer has delivered written notice to you of the alleged violation(s) and you have had a reasonable opportunity to be heard by the Executive Committee.

4.5 **Waiver of Payments**. You acknowledge and agree that the Severance Pay, if any, which may be payable under this Section 4 is in lieu of and not in addition to any severance payments which may be generally available to employees of the Employer, and you hereby waive any right you may have in or to any severance payments not contained in this Section 4.

4.6 **Deemed Resignation**. Unless otherwise agreed to in writing by the Employer and you prior to the termination of your employment, any termination of your employment shall constitute an automatic resignation of you as an officer of the Employer and each affiliate of the Employer, and an automatic resignation of you from the the board of directors of the Employer (if applicable) and from the board of directors or similar governing body of any affiliate of the Employer and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Employer or any affiliate holds an equity interest and with respect to which board or similar governing body you serve as the Employer's or such affiliate's designee or other representative.

5. **Confidentiality**. The Executive agrees at all times during the Term and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term, or disclose to any person, firm, corporation or other entity, without written authorization of the Employer, any Confidential Information of the Employer, except for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term. The Executive further agrees not to make copies of such Confidential Information, except as authorized by the Employer or for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term. The Executive understands that "Confidential Information" means any Employer proprietary information, technical data, trade secrets or know-how, including, but not

limited to, research, product plans, products, services, suppliers, customer lists and customer information (including, but not limited to, customers of the Employer on whom he called or with whom he became acquainted during the Term), prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to you by the Employer either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by me during the Term, whether or not during working hours. The Executive understands that Confidential Information includes, but is not limited to, information pertaining to any aspect of the Employer's business which is either information not known by actual or potential competitors of the Employer or other third parties not under confidentiality obligations to the Employer, or is otherwise proprietary information of the Employer or its customers or suppliers, whether of a technical nature or otherwise. The Executive further understands that Confidential Information does not include any of the foregoing items that have become publicly and widely known and made generally available through no wrongful act of his or of others who were under confidentiality obligations as to the item or items involved. For purposes of Section 5, the term "Employer" shall include the Employer and any of its affiliates. Notwithstanding the foregoing, it is understood by the parties that in the course of his service with the Employer, Executive may retain mental recollections or other impressions as a result of having had access to or knowledge of the Employer's Confidential Information, and the Employer agrees that such retained mental impressions shall not impede or restrict Executive from engaging in work for a subsequent employer or enterprise so long as Confidential Information is not expressly disclosed to such subsequent employer or enterprise.

6. **Restrictive Covenants**. In consideration for your employment with the Employer and the compensation and benefits set forth in this Agreement, you agree to sign the Employer's standard restrictive covenants agreement attached hereto (the "*Restrictive Covenants Agreement*") and to comply with the terms and conditions set forth in the Restrictive Covenants Agreement.

7. **Representations and Warranties**. To induce the Employer to enter into this Agreement, you represent, warrant and covenant to the Employer that you are not subject to any legal, contractual or other restriction on your employment which would restrict your right to work for the Employer; that you have not disclosed to the Employer any confidential information or trade secrets of any third party, nor will you disclose to the Employer any confidential information or trade secrets of a third party where such disclosure would violate the terms of any agreement or otherwise breach any duty you may have to any such third party; and that any information or documents submitted to the Employer by you or on your behalf prior to the date hereof concerning your background, qualifications, work history, education and experience is true, accurate and complete and not otherwise misleading. You agree to indemnify, defend and hold harmless the Employer, its successors and assigns, upon demand, from and against any loss, liability, damage or expense (including reasonable attorneys' fees) which the Employer may sustain or incur by reason of the breach or incorrectness of any representation, warranty or covenant made by you in this Section 7.

8. **Proceeds of Your Services/Use of Your Image**. You acknowledge and agree that any and all proceeds of all services provided to the Employer and its affiliates and any and all works created or produced by you for the Employer and its affiliates (collectively referred to herein as the "*Works*") are being prepared by and for, and at the instigation and under the direction of, the Employer and that the Works are and at all times shall be regarded as "work made for hire" as that term is used in the United States copyright laws, and that all copyrights in and to the Works belong to the Employer as "work made for hire". Without limiting the preceding sentence, and by this Agreement, you irrevocably assign, grant and deliver, exclusively unto the Employer, its legal representatives, successors and assigns, all right, title and interest of every kind and nature whatsoever in and to the Works, and all copies, versions, derivatives, processes, systems, products and proceeds thereof, or resulting therefrom, including any copyrights in any country.

You also grant the Employer the use of your performances and pictures, related to the performance of your service for the Employer, for advertising, public displays, promotion and all other legal presentations including, without limitation, the above mentioned uses. You release the Employer and its affiliates and their respective successors and assigns from all liability resulting from such use. This Section 8 shall survive the termination of your employment.

9. **Tax Gross-ups**. Executive acknowledges and agrees that, under any previous and existing arrangements with the Employer or any of its predecessors or Affiliates, he is not entitled to receive nor will he receive any gross-up or additional payment from the Employer or its Affiliates by reason of the "additional tax" or "excise tax" required by Code Section 409A or Section 4999 of the Internal Revenue Code being imposed on him.

10. **Entire Agreement; Conflicts**. This Agreement and the Restrictive Covenants Agreement, together with the Employer's policies and procedures applicable

to you (the "*Related Employment Terms*"), constitute the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. To the extent any terms of this Agreement or the Restrictive Covenants Agreement are expressly inconsistent with the terms or provisions of any Related Employment Terms, the terms of this Agreement or the Restrictive Covenants Agreement shall control. You acknowledge that there are no agreements or arrangements, whether written or oral, in effect that would prevent you from rendering your exclusive services to the Employer during the term of this Agreement. For the avoidance of doubt, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect.

11. **Injunctive Relief**. The Executive hereby agrees that if the Executive breaches, threatens to breach or attempts to breach any of the covenants and agreements contained in this Agreement, the Employer shall be entitled to seek an order enjoining the Executive from violating any of the provisions of this Agreement without the necessity of posting a bond or other security, and said application for such injunctive relief shall be without prejudice to any other right of action which may be available to the Employer or its successors or assigns by reason of a threatened, attempted or actual violation of this Agreement by the Executive. The Executive does further agree and acknowledge that the remedy at law for any breach or threatened breach of this Agreement and the covenants set forth herein may be inadequate, and accordingly, grants the Employer the aforesaid right and entitlement to seek injunctive relief for any of such breach or threatened breach of this Agreement in addition to, and not in limitation of, any and all other remedies at law or in equity available to the Employer.

12. **At Will Employment**. For the avoidance of doubt, no provision set forth in this Agreement shall be construed to create an express or implied employment contract for any specific period of time, and you or the Employer may terminate your employment at any time, with or without Cause or Good Reason (in other words, you are an "at will" employee).

13. **Timing of Payments Under Certain Circumstances**. With respect to any amount that becomes payable to you under this Agreement upon your Separation from Service (as defined below) for any reason, the provisions of this Section 13 will apply, notwithstanding any other provision of this Agreement to the contrary. If the Employer determines in good faith that you are a "specified employee" within the meaning of Section 409A of the Internal Revenue Code, any Treasury regulations promulgated thereunder and any guidance issued by the Internal Revenue Service relating thereto (collectively, "*Code Section 409A*"), then to the extent required under Code Section 409A, payment of any amount that becomes payable to you upon Separation from Service (other than by reason of your death) and that otherwise would be payable during the six-month period following your Separation from Service shall be suspended until the lapse of such six-month period (or, if earlier, the date of your death). A "*Separation from Service*" means

your separation from service, as defined in Code Section 409A, with the Employer and all other entities with which the Employer would be considered a single employer under Internal Revenue Code Section 414(b) or (c), applying the 80% threshold used in such Internal Revenue Code Sections or any Treasury regulations promulgated thereunder. Any payment suspended as provided in this Section 13, unadjusted for interest on such suspended payment, shall be paid to you in a single payment on the first business day following the end of such six-month period or within 30 days following your death, as applicable, provided that your death during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of your death.

14. **Compliance with 409A**. The provisions of this Agreement are intended to meet the requirements of Code Section 409A and will be interpreted in a manner that is consistent with such intent. Without limiting the generality of the foregoing, the Employer and you agree that any entitlement to Severance Pay pursuant to this Agreement shall be conditioned upon such termination constituting a Separation from Service of you as defined in Section 13 of this Agreement. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), The Executive's right to receive any installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. The parties intend that, to the maximum extent possible, any Severance Pay shall qualify as a short-term deferral pursuant to Treasury Regulation § 1.409A-1(b)(4) or a separation payment pursuant to Treasury Regulation § 1.409A-1(b)(9). In addition, any expense allowance or reimbursement that may become available to you under this Agreement must be paid on or before the last day of the calendar year following the calendar year in which the expense was incurred, and no such allowance or reimbursement shall be subject to liquidation or exchange for another benefit.

15. **Limitation on Payments**. If any payment or benefit (including but not limited to payments, vesting and benefits pursuant to this Agreement) that the Executive would receive from the Employer or otherwise ("*Transaction Payment*") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (the "*Excise Tax*"), then the Employer shall cause to be determined, before any amounts of the Transaction Payment are paid or provided to the Executive, whichever of the following two alternative forms of payment would result in the Executive's receipt, on an after-tax basis, of the greater amount of the Transaction Payment notwithstanding that all or some portion of the Transaction Payment may be subject to the Excise Tax: (1) payment and provision in full of the entire amount of the Transaction Payment (a "*Full Payment*"), or (2) payment and provision of only a part of the Transaction Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a "*Reduced Payment*") . For purposes of determining whether to make a Full Payment or a Reduced Payment, the Employer shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, (x) the Executive shall have no rights to any additional payments, vesting and/or benefits constituting the Transaction Payment, and (y) reduction in payments and/or benefits will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits paid or provided to the Executive. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards. In no event will the Employer or any stockholder be liable to the Executive for any amounts not paid as a result of the operation of this Section 15.

15.1 **Professional Firm.** The professional firm engaged by the Employer for general tax purposes as of immediately prior to the transaction giving rise to the Transaction Payment shall make all

determinations required to be made under this Section 15. If the professional firm so engaged by the Employer is serving as accountant or auditor for the individual, entity or group effecting the transaction, the Employer shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Employer shall bear all expenses with respect to the determinations by such professional firm required to be made hereunder.

15.2 **Calculations**. The professional firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Employer and the Executive within fifteen (15) calendar days after the date on which Executive's right to a Transaction Payment is triggered or such other time as reasonably requested by the Employer or the Executive. If the professional firm determines that no Excise Tax is payable with respect to the Transaction Payment, either before or after the application of the Reduced Amount, it shall furnish the Employer and the Executive with detailed supporting calculations of its determinations that no Excise Tax will be imposed with respect to such Transaction Payment. Any good faith determinations of the professional firm made hereunder shall be final, binding and conclusive upon the Employer and the Executive.

16. **Severability**. If any provision of this Agreement is declared by any court to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this Agreement, which shall remain in full force and effect. In addition, the parties agree that a court may, and is directed to, revise any such provision so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial intervention, they shall renegotiate any invalidated or

unenforceable provision so as to accomplish its objective to the extent permitted by law.

17. **Expenses**. Each party will be responsible for payment of any attorneys' fees and other expenses incurred by such party in the negotiation and drafting of this Agreement.

18. **Notices**. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been given or made (other than a notice of change of a party's notice address, which shall be deemed to have been given or made only upon actual receipt) (a) when personally delivered, (b) one business day following deposit with a nationally recognized courier for overnight delivery, (c) three days following deposit for mailing by registered or certified mail, postage-paid and return receipt requested, or (d) if delivered by facsimile transmission, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section 18:

(a) If to the Employer:

Ziggy Merger Sub, LLC
2601 Elliott Avenue, Suite 200
Seattle, WA 98121
Attention: President
With a copy to: General Counsel
Fax No.: 206-299-3772

(b) If to you:

Darrell Cavens
2601 Elliott Avenue, Suite 200
Seattle, WA 98121
Fax No.: 206-299-3772

19. **Waiver; Amendment**. No waiver by a party to this Agreement of a breach or default under this Agreement by the other party shall be considered valid unless in writing signed by such first party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature. No modification, change or amendment of this Agreement or any of its provisions shall be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.

20. **Assignment; Assumption By Successor**. The Employer and its successors and assigns may freely assign its rights and obligations under this Agreement, in whole or in part, including but not limited to any and all of the rights, titles, properties and interests acquired by the Employer herein and hereunder, and this Agreement and all of its terms and provisions and all rights herein and hereunder shall inure to the benefit of the successors and assigns of the Employer. Without the prior written consent of the Employer, the Executive shall not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity. The Employer shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business and/or assets of the Employer, by agreement in writing in form and substance reasonably satisfactory to you, expressly, absolutely, and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place.

21. **Governing Law; Venue**. The terms of this Agreement shall be governed by and construed under and in accordance with the substantive laws of the State of Washington without reference to the principles of conflicts of laws. The Executive and the Employer hereby consent to the exclusive jurisdiction of the state courts of the State of Washington, King County and the United States Federal Courts for the Western District of Washington in all matters arising hereunder or out of the transactions contemplated hereby.

22. **Provisions Regarding Effective Date**. As indicated in Section 1, this Agreement is effective as of the First Effective Time and, accordingly, in connection therewith and notwithstanding any other provision of this Agreement, the parties agree that this Agreement shall be null and void and of no force or effect if (a) the Executive ceases to be employed by the Employer at any time prior to the First Effective Time, (b) the First Effective Time does not occur on or prior to February 1, 2016, and/or (c) the Merger Agreement is terminated for any reason.

The undersigned have entered into this Executive Employment Agreement as of the date first written above.

Ziggy Merger Sub, LLC

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Vice President and Assistant Secretary

The undersigned have entered into this Executive Employment Agreement as of the date first written above.

EXECUTIVE

/s/ Darrell Cavens
Darrell Cavens

RESTRICTIVE COVENANTS

Intending to be legally bound, Darrell Cavens ("*you*") agrees to comply with the following restrictive covenants ("*Restrictive Covenants*"), in consideration of your employment with Ziggy Merger Sub, LLC and/or any of its affiliated entities (the "*Company*"), including all compensation and benefits provided by the Company related to such employment, and ancillary to and as a condition precedent to that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, Mocha Merger Sub, LLC, Ziggy Merger Sub, LLC and zulily, inc. (the "*Merger Agreement*"), under the following terms:

I. Restrictive Covenants: You agree that for so long as you are employed by the Company and until the later of (i) the date three (3) years following the First Effective Time (as defined in the Merger Agreement) and (ii) the date twelve (12) months after your last day of employment with the Company, regardless of the reason for your separation, you shall not, directly or indirectly:

A. within the United States and elsewhere where the Surviving Company (as defined in the Merger Agreement) conducts its business, (A) be employed by, act as an agent for, or consult with or otherwise perform services for a Competitor (as defined below) or (B) own any equity interest in, manage or participate in the management (as an officer, director, partner, member or otherwise) of, or be connected in any other manner with, a Competitor (except that nothing in these Restrictive Covenants shall restrict: (1) passive ownership of less than one percent (1%) of the equity interests of any Person, and (2) participating as an investor, partner, member, officer, director, employee or advisor (or in any other capacity) of, in or to any venture, private equity or similar fund or entity that invests in any Competitors as long as you are not involved in Competition (other than incidentally) and do not advise on such investments). As used in these Restrictive Covenants, "*Competitor*" means any individual or entity that is directly or indirectly engaged, or is preparing to engage, in any business which is competitive with any business in which QVC, Inc. and/or the Surviving Company is engaged, or is preparing to engage, as of the First Effective Time or as of any other time during which you are employed by the Company without the prior written consent of QVC, Inc. and the Surviving Company (and "Competition" means any such activity); and/or

B. solicit, induce or attempt to solicit or induce any person who was an employee of the Surviving Company as of the First Effective Time or who becomes an employee of the Surviving Company at any time while you are employed by the Company to leave the employ of the Surviving Company; provided, however that: (A) "solicit" shall not include the solicitation of any such person by any general advertising, including in a newspaper or periodical of general circulation or on a website not specifically targeted to such person or by an employee or executive search firm acting on your behalf, if neither you nor any of your affiliates instructed or encouraged the solicitation of a specific person; and (B) following your termination of employment from the Company, nothing in these Restrictive Covenants shall prohibit the undersigned from soliciting, inducing or attempting to solicit or induce: (1) any person after such person's employment with the Surviving Company has ended (as long as such person's employment with the Surviving Company did not end as a result of conduct in violation of this Section I.B.); or (2) any person who approaches the undersigned on her or his own initiative.

II. Acknowledgments

A. You acknowledge and agree that the restrictions set forth in these Restrictive Covenants are critical and necessary to protect the Company's legitimate business interests; will not impose an undue hardship on you; are reasonable in duration, scope, and otherwise; are not injurious to the public interest; and are supported by adequate consideration.

B. You further acknowledge and agree that: (1) any breach or claimed breach on the part of the Company regarding the terms of your employment agreement, if any, or any other claims against the Company will not be a defense to the Company's enforcement of these Restrictive Covenants , (2) the circumstances of your termination of employment with the Company will have no impact on your obligations under these Restrictive Covenants, (3) if any covenant set forth in these Restrictive Covenants is deemed invalid or unenforceable for any reason, it is the intention of the parties that such covenant(s) be equitably reformed or modified only to the extent necessary to render them valid and enforceable in all respects, (4) in the event that any time period and/or geographic scope referenced in these Restrictive Covenants is deemed unreasonable, overbroad, or otherwise invalid, it is the intention of the parties that the enforcing court reduce or modify the time period and/or geographic scope only to the extent necessary to render such covenants reasonable, valid, and enforceable in all respects, (5) your obligations under these Restrictive Covenants shall be tolled during any period that you are in breach of any of the obligations under these Restrictive Covenants, so that the Company is provided with the full benefit of the restrictive periods set forth herein, and (6) you specifically authorize the Company to contact your future employers or potential employers to confirm your compliance with the Restrictive Covenants and/or to furnish copies of these Restrictive Covenants to such employers.

C. The Company cannot be reasonably or adequately compensated in damages in an action at law in the event you breach your obligations under these Restrictive Covenants. As a result, in the event that you breach any of the provisions in these Restrictive Covenants, you agree that the Company may suffer immediate, irreparable injury and will, therefore, be entitled to injunctive relief, in addition to any other legal and/or equitable damages to which it may be entitled, as well as the costs and reasonable attorneys' fees incurred in enforcing its rights under these Restrictive Covenants.

D. Notwithstanding anything to the foregoing in these Restrictive Covenants, while Executive is employed, in the event of a conflict between the policies of the Company (as applicable to Executive and similarly situated employees) and any provision of these Restrictive Covenants, the stricter of such policies and such provision of this Agreement shall control. Following Executive's termination of employment, the Company's policies to the extent applicable to former employees will still apply to the Executive, but the post-employment non-competition and non-solicitation covenants set forth in this Agreement will control in the event of any conflict with otherwise applicable Company policy.

E. The obligations of these Restrictive Covenants will survive the termination of your employment with the Company, regardless of the reason for your separation, whether pursuant to an employment agreement or otherwise.

Darrell Cavens

/s/ Darrell Cavens

Date: 8/16/2015

ZIGGY MERGER SUB, LLC
EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this "*Agreement*") is entered into this 16th day of August, 2015 by and between Ziggy Merger Sub, LLC (the "*Employer*") and Bob Spieth (referred to in this Agreement as "*Executive*" or "*you*").

WHEREAS, the Executive is currently employed by zulily, inc.;

WHEREAS, in connection with the consummation of the transactions contemplated by that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, Mocha Merger Sub, Inc., the Employer and zulily, inc. (the "*Merger Agreement*"), zulily, inc. will be acquired by Liberty Interactive Corporation and Executive will receive significant compensation in connection therewith

WHEREAS, effective as of the First Effective Time (as such term is defined in the Merger Agreement) the Employer desires to continue to employ the Executive on the terms and conditions, and for the consideration, hereinafter set forth and the Executive desires to be employed by the Employer on such terms and conditions and for such consideration; and

WHEREAS, the Merger Agreement contemplates that the Executive and the Employer will enter into this Agreement, and the Executive's agreement to the terms set forth herein, including the restrictive covenants set forth in the Restrictive Covenants Agreement (as defined in Section 6), is a material consideration for Mocha Merger Sub, Inc., the Employer and Liberty Interactive Corporation to enter into the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. **Position; Term**. The Employer hereby employs Executive and Executive hereby accepts employment with the Employer as Senior Vice President, Chief Operating Officer of Employer for a period commencing upon the First Effective Time and continuing for the three (3) year period following the First Effective Time (the "*Initial Term*") and shall thereafter automatically renew for additional twelve (12) month periods (each, a "*Renewal Term*"), unless sooner terminated during the Initial Term or Renewal Term in accordance with this Agreement or written notice is given by one party to the other at least 90 days prior to the expiration of the Initial Term or any Renewal Term, as applicable. The Initial Term and any Renewal Term are herein collectively referred to as the "Term."

2. **Duties**. You will perform those duties for the Employer that are consistent with the positions described above for the Employer and any other comparable duties or positions that are reasonably assigned to you from time to time by the Employer. You will report to such persons as may be designated by the Employer's Chief Executive Officer ("*CEO*") from time to time. You will devote your entire productive business time, attention and energies to the performance of your duties to the Employer, except as expressly consented to in accordance with this Section 2 or Section I.A of the Restrictive Covenants Agreement (as defined in Section 6). You will use reasonable best efforts to advance the interests and business of the Employer and their respective Affiliates, and will abide by all rules, regulations and policies applicable to employees and senior executives of the Employer as may be in effect from time to time. You may serve on the boards of certain outside for-profit or nonprofit entities with the written consent of the Employer's CEO, which shall not be unreasonably withheld , or such other

approval process that may be required by the policy of the Employer or any of its Affiliates, as applicable, from time to time.

3. **Compensation**. Your compensation during the Term will be the following, which covers your services to the Employer, and its parent, subsidiaries and other affiliated entities that control, are controlled by or are under common control with, the Employer (together, the "*Affiliates"*), subject in each case to deduction or withholding by the Employer of any amounts that it may be required to deduct or withhold pursuant to any federal, state or local laws, rules or regulations ("*Required Withholding*"):

3.1 **Base Salary**. An initial base salary at an annualized rate of Three Hundred Twenty-Five Thousand Dollars ($325,000.00), payable in accordance with the Employer's payroll practice as in effect from time to time (as such payroll practice may be adjusted from time to time at the Employer's discretion, the "*Base Salary*"); and your Base Salary may be increased from time to time in the discretion of the Employer.

3.2 **Bonus**. During the Term, you will be eligible for bonus compensation in the Employer's sole discretion for each fiscal year that you perform services for the Employer in accordance with the terms and conditions of the Employer's then-current bonus program. Notwithstanding the generality of the foregoing, as of the date of this Agreement, your annual bonus target shall initially be fifty percent (50%) of the Base Salary (the "*Bonus Target*").

3.3 **Long-Term Incentive Compensation**. You will be entitled to participate in the long-term incentive ("*LTI*") compensation program established by Liberty Interactive Corporation on such terms and conditions as determined by the Liberty Interactive Corporation Board of Directors ("*Liberty Interactive Corporation Board*") in its sole discretion; provided that such terms shall not be less favorable than the terms provided for other senior executives at your level in the Employer. Your initial LTI grant under the current program will be made at the same time as the annual LTI grants for other similarly situated senior executives and will be for equity (in a form determined in the discretion of the Liberty Interactive Corporation Board) with a fair market value of Three Hundred Fifty-Seven Thousand Five Hundred Dollars ($357,500.00)at the time of grant, subject to the approval of the Liberty Interactive Corporation Board.

3.4 **Sign On Equity Grants**. As of the First Effective Time, you shall be granted stock options with respect to Liberty Interactive Corporation QVC Group Series A common stock with a grant value of One Million Four Hundred Thousand Dollars ($1,400,000.00) (the "*Option Grant*") subject to the terms and conditions of the applicable Liberty Interactive Corporation 2012 Incentive Plan (the "*Plan*") and corresponding Stock Option Award Agreement between you and Liberty Interactive Corporation (the "*Option Award Agreement*"). The number of options and the exercise price thereof related to the Option Grant will be calculated as of the grant date and in accordance with the terms of the Plan. That number of options will be rounded to the nearest whole number. Subject to your continued employment with the Employer or its affiliates on the applicable vesting dates in accordance with the terms of this Agreement and the Option Award Agreement, one-fourth (1/4) of the options awarded pursuant to the Option Grant will become vested on the first anniversary of the date of the grant, one-fourth (1/4) of the options awarded pursuant to the Option Grant will become vested on the second anniversary of the date of the grant, one-fourth (1/4) of the options awarded pursuant to the Option Grant will become vested on the third anniversary of the date of the grant and one-fourth (1/4) of the options awarded pursuant to the Option Grant will become vested on the fourth anniversary of the date of the grant.

3.5 **Benefits**. You will be eligible to participate in all applicable employee benefit plans and programs that are offered to employees of the Employer from time to time on the same basis as that provided to similarly situated employees of the Employer at such time.

4. **Termination of Employment**.

4.1 **Termination Without Cause by the Employer or by You for Good Reason**

(a) **Standard Entitlements**. If your employment with the Employer is terminated by the Employer without Cause (as defined below in Section 4.3) or you resign for Good Reason (as defined below in Section 4.3), you will be entitled to the following, subject in each case to Required Withholding: (i) any Base Salary earned with respect to the period prior to your termination but not yet paid; (ii) reimbursement of any out-of-pocket business expenses incurred by you prior to the date of termination for which you are entitled to reimbursement pursuant to the Employer's then applicable expense reimbursement policies; (iii) amounts or benefits to which you are entitled under any compensation, retirement or benefit plan or practice of Employer at the time of termination in accordance with the terms of such plans or practices; and (iv) any other amounts required to be paid by law (collectively the "*Standard Entitlements*").

(b) **Severance Benefits**. If your employment with the Employer is terminated by the Employer without Cause or you resign for Good Reason, you will also become eligible to receive (i) an aggregate amount equal to twelve (12) months of your Base Salary (collectively "*Severance Pay*"), to be paid in equal installments in accordance with the Employer's regular payroll cycle and commencing on the first payroll date following the 60th day following your date of termination, and (ii) if you or any of your eligible dependents elect continued coverage under the medical plan or plans (including any dental, vision, prescription drug, or similar plan) offered to employees of the Employer pursuant to COBRA or any other applicable state law, then, the Employer shall pay your COBRA premiums for a twelve (12)-month period (the "*Severance COBRA Period*") for the comparable level of coverage as you and your eligible dependents were receiving as of your termination date (collectively, "*COBRA Benefits*"), in each case subject to Required Withholding and to Sections 4.2, 4.4, 12 and 13. To the extent applicable and to the extent permitted by law, any COBRA Benefits provided to you and/or your dependents shall be considered part of, and not in addition to, any coverage required under COBRA. Notwithstanding the foregoing, if the Employer's obligation to provide COBRA Benefits would result in the imposition of excise taxes on the Employer or its Affiliates for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the Employer shall discontinue the COBRA Benefits, shall instead pay to you a payment equal to the employer portion of premium costs of health benefits provided to you and your dependents for the remainder of the Severance COBRA Period. Severance Pay does not entitle you to any other ongoing benefits from the Employer and you will not be an employee of the Employer for any purpose during any period that you are receiving Severance Pay.

(c) **No Other Severance**. You acknowledge that the Standard Entitlements and the payments and benefits provided herein, constitute the only payments and benefits you shall be entitled or eligible to receive from the Employer in the event of any termination of your employment without Cause or with Good Reason, and neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement, except as expressly provided in this Agreement, or otherwise in respect of your employment, and except as may be required by the terms of the Employer's benefit plans and programs.

4.2 **Conditions for Receiving Severance Pay**. In order to receive Severance Pay and COBRA Benefits, you must (i) execute and deliver to the Employer a full general release prepared by and satisfactory to the Employer (and any applicable revocation period applicable to such general release must have expired) within fifty-five (55) days following your termination of employment; (ii) cooperate with the orderly transfer of your duties as requested by the Employer; and (iii) return all Employer property by a date specified by the Employer, but no earlier than five (5) business days after the Employer provides you with written notice to do so. If the Severance Pay becomes payable in accordance with this Section 4.2, an amount equal to the first installment of Severance Pay shall constitute consideration for delivery of the general release contemplated by this Section (the "*Release Consideration*").

4.3 **Termination for Cause or other than for Good Reason; Other Terminations**

(a) **Standard Entitlements for Cause Termination, Resignation without Good Reason, Death, or Disability Termination.** If the Employer terminates your employment for Cause, or if you voluntarily terminate your employment for any reason other than Good Reason, the Standard Entitlements constitute the only payments and benefits you shall be entitled to receive from the Employer and in such case neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement or otherwise in respect of your employment. Without limiting the foregoing, you will not be entitled to receive Severance Pay upon any termination of your employment other than a termination by the Employer without Cause or by you for Good Reason. For clarity, the following events do not constitute a termination of your employment by the Employer without Cause and therefore you will not be entitled to Severance Pay upon the following events: (1) your death, or (2) termination of your employment by you or the Employer based on your long-term disability (as defined in the Employer's long-term disability plan); provided, however, that nothing in this Agreement effects your entitlement to benefits upon your death or termination of your employment based on your disability for which you are otherwise eligible pursuant to other plans, programs or arrangements maintained by the Employer or its Affiliates.

(b) **"Cause" Definition.** For purposes of this Agreement, "***Cause***" is defined as: (i) any act or omission that constitutes a material breach by you of your obligations under this Agreement; (ii) your failure or refusal (other than any failure which occurs as a result of your disability) to perform material duties required of you as an executive of the Employer to the reasonable satisfaction of the Employer; (iii) any material violation by you of any (x) material policy, rule or regulation of the Employer or (y) any material law or regulation applicable to the business of the Employer or any of its Affiliates; (iv) your act or omission constituting fraud, a material act of dishonesty or breach of fiduciary duty, gross negligence, willful misconduct or intentional and material misrepresentation in relation to your duties to the Employer or with respect to any of its Affiliates, or any of their respective customers, suppliers or other material business relations; or (v) your conviction of, or plea of guilty or nolo contendere to, any crime which constitutes a felony, a crime of moral turpitude, or a misdemeanor which relates to your suitability for employment in your then-current position; provided, however, that in no event will you be terminated for Cause without (x) specific written notification to you of the alleged specific grounds for Cause and (y) a reasonable opportunity for you to be heard by the Executive Committee.

(c) **"Good Reason" Definition.** For purposes of this Agreement, "***Good Reason***" is defined as the occurrence of any of the following without your prior written consent: (i) a change in the principal location at which you are required to provide services to the Employer to more than fifty (50) miles from Seattle, Washington; (ii) a material decrease in your Base Salary or Bonus Target; (iii) a material reduction of your duties, authority or responsibilities with the Employer from those in effect immediately following the First Effective Time, which causes your position with the Employer to become of less responsibility or authority than your position as of immediately following the

commencement of your employment with the Employer; provided, however, that changes to your reporting structure as contemplated by Section 2 shall not constitute Good Reason; or (iv) a successor to the Employer fails to assume this Agreement in writing upon becoming a successor or assignee of the Employer; provided, however, that termination for Good Reason by you shall not be permitted unless (x) you have given the Employer written notice no later than the date thirty (30) days following the first occurrence of an event giving rise to your assertion that you have a basis for a termination for Good Reason, which notice shall specify the facts and circumstances constituting a basis for termination for Good Reason, (y) the Employer has not remedied such facts and circumstances constituting a basis for termination for Good Reason within the thirty (30)-day period following the delivery of such notice (the "*Cure Period*"), and (z) you actually terminate your employment within thirty (30) days following the end of the Cure Period.

4.4 **Compliance with the Non-Competition, Confidentiality, and Proprietary Information Agreement**. You and the Employer acknowledge that any Severance Pay or COBRA Benefits owed to you pursuant to Section 4.1(b), other than that portion constituting the Release Consideration, is part of the consideration for your undertakings under Section 5 and the Restrictive Covenants Agreement (as defined in Section 6) and payment of such amount is subject to your continued compliance with Section 5 and the Restrictive Covenants Agreement. If you violate the provisions of Section 5 or the Restrictive Covenants Agreement, then the Employer will have no

obligation to make any of the Severance Pay payments that remain payable by the Employer on or after the date of such violation except to the extent that an amount equal to the Release Consideration has not yet been paid, provided however that the Employer has delivered written notice to you of the alleged violation(s) and you have had a reasonable opportunity to be heard by the Employer.

4.5 **Waiver of Payments**. You acknowledge and agree that the Severance Pay, if any, which may be payable under this Section 4 is in lieu of and not in addition to any severance payments which may be generally available to employees of the Employer, and you hereby waive any right you may have in or to any severance payments not contained in this Section 4.

4.6 **Deemed Resignation**. Unless otherwise agreed to in writing by the Employer and you prior to the termination of your employment, any termination of your employment shall constitute an automatic resignation of you as an officer of the Employer and each affiliate of the Employer, and an automatic resignation of you from the board of directors of the Employer (if applicable) and from the board of directors or similar governing body of any affiliate of the Employer and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Employer or any affiliate holds an equity interest and with respect to which board or similar governing body you serve as the Employer's or such affiliate's designee or other representative.

5. Confidentiality. The Executive agrees at all times during the Term and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term, or to disclose to any person, firm, corporation or other entity without written authorization of the Employer, any Confidential Information of the Employer, except for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term. The Executive further agrees not to make copies of such Confidential Information except as authorized by the Employer or for the benefit of the Employer to the extent necessary to perform his obligations to the Employer during the Term. The Executive understands that "*Confidential Information*" means any Employer proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, suppliers, customer lists and customer information (including, but not limited to, customers of the Employer on whom he called or with whom he became acquainted during the Term), prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings,

engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to you by the Employer either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by me during the Term, whether or not during working hours. The Executive understands that Confidential Information includes, but is not limited to, information pertaining to any aspect of the Employer's business which is either information not known by actual or potential competitors of the Employer or other third parties not under confidentiality obligations to the Employer, or is otherwise proprietary information of the Employer or its customers or suppliers, whether of a technical nature or otherwise. The Executive further understands that Confidential Information does not include any of the foregoing items that have become publicly and widely known and made generally available through no wrongful act of his or of others who were under confidentiality obligations as to the item or items involved. For purposes of Section 5, the term "*Employer*" shall include the Employer and any of its affiliates. Notwithstanding the foregoing, it is understood by the parties that in the course of his service with the Employer, Executive may retain mental recollections or other impressions as a result of having had access to or knowledge of the Employer's Confidential Information, and the Employer agrees that such retained mental impressions shall not impede or restrict Executive from engaging in work for a subsequent employer or enterprise so long as Confidential Information is not expressly disclosed to such subsequent employer or enterprise.

6. **Restrictive Covenants**. In consideration for your employment with the Employer and the compensation and benefits set forth in this Agreement, you agree to sign the Employer's standard restrictive covenants agreement attached hereto (the "*Restrictive Covenants Agreement*") and to comply with the terms and conditions set forth in the Restrictive Covenants Agreement.

7. **Representations and Warranties**. To induce the Employer to enter into this Agreement, you represent, warrant and covenant to the Employer that you are not subject to any legal, contractual or other restriction on your employment which would restrict your right to work for the Employer; that you have not disclosed to the Employer any confidential information or trade secrets of any third party, nor will you disclose to the Employer any confidential information or trade secrets of a third party where such disclosure would violate the terms of any agreement or otherwise breach any duty you may have to any such third party; and that any information or documents submitted to the Employer by you or on your behalf prior to the date hereof concerning your background, qualifications, work history, education and experience is true, accurate and complete and not otherwise misleading. You agree to indemnify, defend and hold harmless the Employer, its successors and assigns, upon demand, from and against any loss, liability, damage or expense (including reasonable attorneys' fees) which the Employer may sustain or incur by reason of the breach or incorrectness of any representation, warranty or covenant made by you in this Section 7.

8. **Proceeds of Your Services/Use of Your Image**. You acknowledge and agree that any and all proceeds of all services provided to the Employer and its affiliates and any and all works created or produced by you for the Employer and its affiliates (collectively referred to herein as the "Works") are being prepared by and for, and at the instigation and under the direction of, the Employer and that the Works are and at all times shall be regarded as "work made for hire" as that term is used in the United States copyright laws, and that all copyrights in and to the Works belong to the Employer as "work made for hire". Without limiting the preceding sentence, and by this Agreement, you irrevocably assign, grant and deliver, exclusively unto the Employer, its legal representatives, successors and assigns, all right, title and interest of every kind and nature whatsoever in and to the Works, and all copies, versions, derivatives, processes, systems, products and proceeds thereof, or resulting therefrom, including any copyrights in any country. You also grant the Employer the use of your performances and pictures, related to the performance of your service for the Employer, for advertising, public displays, promotion and all other legal presentations including, without limitation, the above mentioned uses. You release the

Employer and its affiliates and their respective successors and assigns from all liability resulting from such use. This Section 8 shall survive the termination of your employment.

9. **Entire Agreement; Conflicts**. This Agreement and the Restrictive Covenants Agreement, together with the Employer's policies and procedures applicable to you (the "*Related Employment Terms*"), constitute the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. To the extent any terms of this Agreement or the Restrictive Covenants Agreement are expressly inconsistent with the terms or provisions of any Related Employment Terms, the terms of this Agreement or the Restrictive Covenants Agreement shall control. You acknowledge that there are no agreements or arrangements, whether written or oral, in effect that would prevent you from rendering your exclusive services to the Employer during the term of this Agreement. For the avoidance of doubt, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect.

10. **Injunctive Relief**. The Executive hereby agrees that if the Executive breaches, threatens to breach or attempts to breach any of the covenants and agreements contained in this Agreement, the Employer shall be entitled to seek an order enjoining the Executive from violating any of the provisions of this Agreement without the necessity of posting a bond or other security, and said application for such injunctive relief shall be without prejudice to any other right of action which may be available to the Employer or its successors or assigns by reason of a threatened, attempted or actual violation of this Agreement by the Executive. The Executive does further agree and acknowledge that the remedy at law for any breach or threatened breach of this Agreement and the covenants set forth herein may be inadequate, and accordingly, grants the Employer the aforesaid right and entitlement to seek injunctive relief for any of such breach or threatened breach of this Agreement in addition to, and not in limitation of, any and all other remedies at law or in equity available to the Employer.

11. **At Will Employment**. For the avoidance of doubt, no provision set forth in this Agreement shall be construed to create an express or implied employment contract for any specific period of time, and you or the Employer may terminate your employment at any time, with or without Cause or Good Reason (in other words, you are an "at will" employee).

12. **Timing of Payments Under Certain Circumstances**. With respect to any amount that becomes payable to you under this Agreement upon your Separation from Service (as defined below) for any reason, the provisions of this Section 12 will apply, notwithstanding any other provision of this Agreement to the contrary. If the Employer determines in good faith that you are a "specified employee" within the meaning of Section 409A of the Internal Revenue Code, any Treasury regulations promulgated thereunder and any guidance issued by the Internal Revenue Service relating thereto (collectively, "*Code Section 409A*"), then to the extent required under Code Section 409A, payment of any amount that becomes payable to you upon Separation from Service (other than by reason of your death) and that otherwise would be payable during the six-month period following your Separation from Service shall be suspended until the lapse of such six-month period (or, if earlier, the date of your death). A "*Separation from Service*" means your separation from service, as defined in Code Section 409A, with the Employer and all other entities with which the Employer would be considered a single employer under Internal Revenue Code Section 414(b) or (c), applying the 80% threshold used in such Internal Revenue Code Sections or any Treasury regulations promulgated thereunder. Any payment suspended as provided in this Section 12, unadjusted for interest on such suspended payment, shall be paid to you in a single payment on the first business day following the end of such six-month period or within 30 days following your death, as applicable, provided that your death during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of your death.

13. **Compliance with 409A**. The provisions of this Agreement are intended to meet the requirements of Code Section 409A and will be interpreted in a manner that is consistent with such intent. Without limiting the generality of the foregoing, the Employer and you agree that any entitlement to Severance Pay pursuant to this Agreement shall be conditioned upon such termination constituting a Separation from Service of you as defined in Section 12 of this Agreement. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), The Executive's right to receive any installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. The parties intend that, to the maximum extent possible, any Severance Pay shall qualify as a short-term deferral pursuant to Treasury Regulation § 1.409A-1(b)(4) or a separation payment pursuant to Treasury Regulation § 1.409A-1(b)(9). In addition, any expense allowance or reimbursement that may become available to you under this Agreement must be paid on or before the last day of the calendar year following the calendar year in which the expense was incurred, and no such allowance or reimbursement shall be subject to liquidation or exchange for another benefit.

14. **Limitation on Payments**. If any payment or benefit (including but not limited to payments, vesting and benefits pursuant to this Agreement) that the Executive would receive from the Employer or otherwise ("Transaction Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (the "Excise Tax"), then the Employer shall cause to be determined, before any amounts of the Transaction Payment are paid or provided to the Executive, whichever of the following two alternative forms of payment would result in the Executive's receipt, on an after-tax basis, of the greater amount of the Transaction Payment notwithstanding that all or some portion of the Transaction Payment may be subject to the Excise Tax: (1) payment and provision in full of the entire amount of the Transaction Payment (a "Full Payment"), or (2) payment and provision of only a part of the Transaction Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a "Reduced Payment") . For purposes of determining whether to make a Full Payment or a Reduced Payment, the Employer shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, (x) the Executive shall have no rights to any additional payments, vesting and/or benefits constituting the Transaction Payment, and (y) reduction in payments and/or benefits will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits paid or provided to the Executive. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards. In no event will the Employer or any stockholder be liable to the Executive for any amounts not paid as a result of the operation of this Section 14.

14.1 The professional firm engaged by the Employer for general tax purposes as of immediately prior to the transaction giving rise to the Transaction Payment shall make all determinations required to be made under this Section 14. If the professional firm so engaged by the Employer is serving as accountant or auditor for the individual, entity or group effecting the transaction, the Employer shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Employer shall bear all expenses with respect to the determinations by such professional firm required to be made hereunder.

14.2 The professional firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Employer and the Executive within fifteen (15) calendar days after the date on which Executive's right to a Transaction

Payment is triggered or such other time as reasonably requested by the Employer or the Executive. If the professional firm determines that no Excise Tax is payable with respect to the Transaction Payment, either before or after the application of the Reduced Amount, it shall furnish the Employer and the Executive with detailed supporting calculations of its determinations that no Excise Tax will be imposed with respect to such Transaction Payment. Any good faith determinations of the professional firm made hereunder shall be final, binding and conclusive upon the Employer and the Executive.

15. **Severability**. If any provision of this Agreement is declared by any court to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this Agreement, which shall remain in full force and effect. In addition, the parties agree that a court may, and is directed to, revise any such provision so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial intervention, they shall renegotiate any invalidated or unenforceable provision so as to accomplish its objective to the extent permitted by law.

16. **Expenses**. Each party will be responsible for payment of any attorneys' fees and other expenses incurred by such party in the negotiation and drafting of this Agreement.

17. **Notices**. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been given or made (other than a notice of change of a party's notice address, which shall be deemed to have been given or made only upon actual receipt) (a) when personally delivered, (b) one business day following deposit with a nationally recognized courier for overnight delivery, (c) three days following deposit for mailing by registered or certified mail, postage-paid and return receipt requested, or (d) if delivered by facsimile transmission, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section 17:

(a) If to the Employer:

Ziggy Merger Sub, LLC
2601 Elliott Avenue, Suite 200
Seattle, WA 98121
Attention: President

With a copy to: General Counsel
Fax No.: 206-299-3772

(b) If to you:

Bob Spieth
2601 Elliott Avenue, Suite 200
Seattle, WA 98121

Fax No.: 206-299-3772

18. **Waiver; Amendment**. No waiver by a party to this Agreement of a breach or default under this Agreement by the other party shall be considered valid unless in writing signed by such first party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature. No modification, change or amendment of this Agreement or any of its provisions shall be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.

19. **Assignment; Assumption By Successor**. The Employer and its successors and assigns may freely assign its rights and obligations under this Agreement, in whole or in part, including but not limited to any and all of the rights, titles, properties and interests acquired by the Employer herein and hereunder, and this Agreement and all of its terms and provisions and all rights herein and hereunder shall inure to the benefit of the successors and assigns of the Employer. Without the prior written consent of the Employer, the Executive shall not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity. The Employer shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business and/or assets of the Employer, by agreement in writing in form and substance reasonably satisfactory to you, expressly, absolutely, and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place.

20. **Governing Law; Venue**. The terms of this Agreement shall be governed by and construed under and in accordance with the substantive laws of the State of Washington without reference to the principles of conflicts of laws. The Executive and the Employer hereby consent to the exclusive jurisdiction of the state courts of the State of Washington, King County and the United States Federal Courts for the Western District of Washington in all matters arising hereunder or out of the transactions contemplated hereby.

21. **Provisions Regarding Effective Date**. As indicated in Section 1, this Agreement is effective as of the First Effective Time and, accordingly, in connection therewith and notwithstanding any other provision of this Agreement, the parties agree that this Agreement shall be null and void and of no force or effect if (a) the Executive ceases to be employed by the Employer at any time prior to the First Effective Time, (b) the First Effective Time does not occur on or prior to February 1, 2016, and/or (c) the Merger Agreement is terminated for any reason.

The undersigned have entered into this Executive Employment, Agreement as of the date first written above.

Ziggy Merger Sub, LLC

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Vice President and Assistant Secretary

The undersigned have entered into this Executive Employment Agreement as of the date first written above.

EXECUTIVE

/s/ Robert Spieth
Robert Spieth

EXECUTION VERSION

RESTRICTIVE COVENANTS

Intending to be legally bound, Bob Spieth ("*you*") agrees to comply with the following restrictive covenants ("*Restrictive Covenants*"), in consideration of your employment with Ziggy Merger Sub, LLC and/or any of its affiliated entities (the "*Company*"), including all compensation and benefits provided by the Company related to such employment, and ancillary to and as a condition precedent to that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, Mocha Merger Sub, Inc., Ziggy Merger Sub, LLC and zulily, inc. (the "*Merger Agreement*"), under the following terms:

I. Restrictive Covenants: You agree that for so long as you are employed by the Company and until the date twelve (12) months after your last day of employment with the Company, regardless of the reason for your separation, you shall not, directly or indirectly:

A. within the United States and elsewhere where the Surviving Company (as defined in the Merger Agreement) conducts its business, (A) be employed by, act as an agent for, or consult with or otherwise perform services for a Competitor (as defined below) or (B) own any equity interest in, manage or participate in the management (as an officer, director, partner, member or otherwise) of, or be connected in any other manner with, a Competitor (except that this shall not restrict ownership of less than one percent (1%) of the equity interests of any publicly held entity). As used in the Restrictive Covenants, "Competitor" means any individual or entity that is directly or indirectly

engaged, or is preparing to engage, in any business which is competitive with any business in which QVC, Inc. and/or the Surviving Company is engaged, or is preparing to engage, without the prior written consent of QVC, Inc. and the Surviving Company; and/or

B. solicit, induce or attempt to solicit or induce any employee of the Company to leave the employ of the Company, provided that "solicit" shall not include the solicitation of any such person by advertising in a newspaper or periodical of general circulation or by an employee or executive search firm acting on your behalf, if neither you nor any of your affiliates instructed or encouraged the solicitation of a specific person, or take any action in furtherance of any of the foregoing; and/or

C. induce or attempt to induce any person or entity to terminate, reduce or alter a relationship with the Company, or otherwise interfere with any relationship between the Company and another person or entity.

II. Acknowledgments

A. You acknowledge and agree that the restrictions set forth in these Restrictive Covenants are critical and necessary to protect the Company's legitimate business interests; will not impose an undue hardship on you; are reasonable in duration, scope, and otherwise; are not injurious to the public interest; and are supported by adequate consideration.

B. You further acknowledge and agree that: (1) any breach or claimed breach on the part of the Company regarding the terms of your employment agreement, if any, or any other claims against the Company will not be a defense to the Company's enforcement of these Restrictive Covenants, (2) the circumstances of your termination of employment with the Company will have no impact on your obligations under these Restrictive Covenants, (3) if any covenant set forth in these Restrictive Covenants is deemed invalid or unenforceable for any reason, it is the intention of the parties that such covenant(s) be equitably reformed or modified only to the extent necessary to render them valid and enforceable in all respects, (4) in the event that any time period and/or geographic scope referenced in these Restrictive

Covenants is deemed unreasonable, overbroad, or otherwise invalid, it is the intention of the parties that the enforcing court reduce or modify the time period and/or geographic scope only to the extent necessary to render such covenants reasonable, valid, and enforceable in all respects, (5) your obligations under these Restrictive Covenants shall be tolled during any period that you are in breach of any of the obligations under these Restrictive Covenants, so that the Company is provided with the full benefit of the restrictive periods set forth herein, and (6) you specifically authorize the Company to contact your future employers or potential employers to confirm your compliance with the Restrictive Covenants and/or to furnish copies of these Restrictive Covenants to such employers.

C. The Company cannot be reasonably or adequately compensated in damages in an action at law in the event you breach your obligations under these Restrictive Covenants. As a result, in the event that you breach any of the provisions in these Restrictive Covenants, you agree that the Company may suffer immediate, irreparable injury and will, therefore, be entitled to injunctive relief, in addition to any other legal and/or equitable damages to which it may be entitled, as well as the costs and reasonable attorneys' fees incurred in enforcing its rights under these Restrictive Covenants.

D. Notwithstanding anything to the foregoing in these Restrictive Covenants, while Executive is employed, in the event of a conflict between the policies of the Company (as applicable to Executive and similarly situated employees) and any provision of these Restrictive Covenants, the stricter of such policies and such provision of this Agreement shall control. Following Executive's termination of employment, the Company's policies to the extent applicable to former employees will still apply to the Executive, but the post-employment non-competition and non-solicitation covenants set forth in this Agreement will control in the event of any conflict with otherwise applicable Company policy.

E. The obligations of these Restrictive Covenants will survive the termination of your employment with the Company, regardless of the reason for your separation, whether pursuant to an employment agreement or otherwise.

Robert Spieth

/s/ Robert Spieth

Date: _____

ZIGGY MERGER SUB, LLC
EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this "*Agreement*") is entered into this 16th day of August, 2015 by and between Ziggy Merger Sub, LLC (the "*Employer*") and Lori Twomey (referred to in this Agreement as "*Executive*" or "*you*").

WHEREAS, the Executive is currently employed by zulily, inc.;

WHEREAS, in connection with the consummation of the transactions contemplated by that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, Mocha Merger Sub, LLC, the Employer and zulily, inc. (the "*Merger Agreement*"), zulily, inc. will be acquired by Liberty Interactive Corporation and Executive will receive significant compensation in connection therewith

WHEREAS, effective as of the First Effective Time (as such term is defined in the Merger Agreement) the Employer desires to continue to employ the Executive on the terms and conditions, and for the consideration, hereinafter set forth and the Executive desires to be employed by the Employer on such terms and conditions and for such consideration; and

WHEREAS, the Merger Agreement contemplates that the Executive and the Employer will enter into this Agreement, and the Executive's agreement to the terms set forth herein, including the restrictive covenants set forth in the Restrictive Covenants Agreement (as defined in Section 6), is a material consideration for Mocha Merger Sub, Inc., the Employer and Liberty Interactive Corporation to enter into the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

1. **Position; Term**. The Employer hereby employs Executive and Executive hereby accepts employment with the Employer as Senior Vice President, Chief Merchant for a period commencing upon the First Effective Time and continuing for the three (3) year period following the First Effective Time (the "Initial Term") and shall thereafter automatically renew for additional twelve (12) month periods (each, a "Renewal Term"), unless sooner terminated during the Initial Term or Renewal Term in accordance with this Agreement or written notice is given by one party to the other at least 90 days prior to the expiration of the Initial Term or any Renewal Term, as applicable. The Initial Term and any Renewal Term are herein collectively referred to as the "Term."

2. **Duties**. You will perform those duties for the Employer that are consistent with the positions described above for the Employer and any other comparable duties or positions that are reasonably assigned to you from time to time by the Employer. You will report to such persons as may be designated by the Employer's Chief Executive Officer ("CEO") from time to time. You will devote your entire productive business time, attention and energies to the performance of your duties to the Employer, except as expressly consented to in accordance with this Section 2 or Section I.A of the Restrictive Covenants Agreement (as defined in Section 6). You will use reasonable best efforts to advance the interests and business of the Employer and their respective Affiliates, and will abide by all rules, regulations and policies applicable to employees and senior executives of the Employer as may be in effect from time to time. You may serve on the boards of certain outside for-profit or nonprofit entities with the written consent of the Employer's CEO, which shall not be unreasonably withheld, or such other

approval process that may be required by the policy of the Employer or any of its Affiliates, as applicable, from time to time.

3. **Compensation**. Your compensation during the Term will be the following, which covers your services to the Employer, and its parent, subsidiaries and other affiliated entities that control, are controlled by or are under common control with, the Employer (together, the "Affiliates"), subject in each case to deduction or withholding by the Employer of any amounts that it may be required to deduct or withhold pursuant to any federal, state or local laws, rules or regulations ("Required Withholding"):

3.1 **Base Salary**. An initial base salary at an annualized rate of Three Hundred Seventy-Five Thousand Dollars ($375,000.00), payable in accordance with the Employer's payroll practice as in effect from time to time (as such payroll practice may be adjusted from time to time at the Employer's discretion, the "*Base Salary*"); and your Base Salary may be increased from time to time in the discretion of the Employer.

3.2 **Bonus**. During the Term, you will be eligible for bonus compensation in the Employer's sole discretion for each fiscal year that you perform services for the Employer in accordance with the terms and conditions of the Employer's then-current bonus program. Notwithstanding the generality of the foregoing, as of the date of this Agreement, your annual bonus target shall initially be fifty percent (50%) of the Base Salary (the "*Bonus Target*").

3.3 **Long-Term Incentive Compensation**. You will be entitled to participate in the long-term incentive ("*LTI*") compensation program established by Liberty Interactive Corporation on such terms and conditions as determined by the Liberty Interactive Corporation Board of Directors ("*Liberty Interactive Corporation Board*") in its sole discretion; provided that such terms shall not be less favorable than the terms provided for other senior executives at your level in the Employer. Your initial LTI grant under the current program will be made at the same time as the annual LTI grants for other similarly situated senior executives and will be for equity (in a form determined in the discretion of the Liberty Interactive Corporation Board) with a fair market value of Four Hundred Twelve Thousand Five Hundred Dollars ($412,500.00) at the time of grant, subject to the approval of the Liberty Interactive Corporation Board.

3.4 **Sign On Equity Grants and Bonus**.

(a) As of the First Effective Time, you shall be granted restricted shares of Liberty Interactive Corporation QVC Group Series A common stock with a grant value of Five Hundred Thousand Dollars ($500,000.00) (the "*RSA Grant*") subject to the terms and conditions of the applicable Liberty Interactive Corporation 2012 Incentive Plan (the "*Plan*") and corresponding Restricted Stock Award Agreement between you and Liberty Interactive Corporation (the "*RSA Award Agreement*"). The number of shares related to the RSA Grant will be calculated as of the grant date in accordance with the terms of the Plan. That number of shares will be rounded to the nearest whole number. Subject to your continued employment with the Employer or its affiliates on the applicable vesting dates in accordance with the terms of this Agreement and the RSA Award Agreement, one-third (1/3) of the shares awarded pursuant to the RSA Grant will become vested on the first anniversary of the date of the grant, one-third (1/3) of the shares awarded pursuant to the RSA Grant will become vested on the second anniversary of the date of the grant, and one-third (1/3) of the shares awarded pursuant to the RSA Grant will become vested on the third anniversary of the date of the grant.

(b) As of the First Effective Time, you shall be granted stock options with respect to Liberty Interactive Corporation QVC Group Series A common stock with a grant value of Five Hundred Thousand Dollars ($500,000.00) (the "*Option Grant*") subject to the terms and conditions of the

Plan and corresponding Stock Option Award Agreement between you and Liberty Interactive Corporation (the "*Option Award Agreement*"). The number of options and the exercise price thereof related to the Option Grant will be calculated as of the grant date and in accordance with the terms of the Plan. That number of options will be rounded to the nearest whole number. Subject to your continued employment with the Employer or its affiliates on the applicable vesting dates in accordance with the terms of this Agreement and the Option Award Agreement, one-third (1/3) of the options awarded pursuant to the Option Grant will become vested on the first anniversary of the date of the grant, one-third (1/3) of the options awarded pursuant to the Option Grant will become vested on the second anniversary of the date of the grant, and one-third (1/3) of the options awarded pursuant to the Option Grant will become vested on the third anniversary of the date of the grant.

(c) On the first business day you report for work following the First Effective Time, you will earn a sign-on bonus equal to Fifty Thousand Dollars ($50,000.00), which shall be payable in a lump sum cash amount no later than thirty (30) days following the First Effective Time.

3.5 **Benefits**. You will be eligible to participate in all applicable employee benefit plans and programs that are offered to employees of the Employer from time to time on the same basis as that provided to similarly situated employees of the Employer at such time.

4. **Termination of Employment**.

4.1 **Termination Without Cause by the Employer or by You for Good Reason**

(a) **Standard Entitlements**. If your employment with the Employer is terminated by the Employer without Cause (as defined below in Section 4.3) or you resign for Good Reason (as defined below in Section 4.3), you will be entitled to the following, subject in each case to Required Withholding: (i) any Base Salary earned with respect to the period prior to your termination but not yet paid; (ii) reimbursement of any out-of-pocket business expenses incurred by you prior to the date of termination for which you are entitled to reimbursement pursuant to the Employer's then applicable expense reimbursement policies; (iii) amounts or benefits to which you are entitled under any compensation, retirement or benefit plan or practice of Employer at the time of termination in accordance with the terms of such plans or practices; and (iv) any other amounts required to be paid by law (collectively the "*Standard Entitlements*").

(b) **Severance Benefits**. If your employment with the Employer is terminated by the Employer without Cause or you resign for Good Reason, you will also become eligible to receive: (i) an aggregate amount equal to twelve (12) months of your Base Salary (collectively, "*Severance Pay*"), to be paid in equal installments in accordance with the Employer's regular payroll cycle and commencing on the first payroll date following the 60th day following your date of termination, and (ii) if you or any of your eligible dependents elect continued coverage under the medical plan or plans (including any dental, vision, prescription drug, or similar plan) offered to employees of the Employer pursuant to COBRA or any other applicable state law, then, the Employer shall pay your COBRA premiums for a twelve (12)-month period (the "*Severance COBRA Period*") for the comparable level of coverage as you and your eligible dependents were receiving as of your termination date (collectively, "*COBRA Benefits*"), in each case subject to Required Withholding and to Sections 4.2, 4.4, 12 and 13. To the extent applicable and to the extent permitted by law, any COBRA Benefits provided to you and/or your dependents shall be considered part of, and not in addition to, any coverage required under COBRA. Notwithstanding the foregoing, if the Employer's obligation to provide COBRA Benefits would result in the imposition of excise taxes on the Employer or its Affiliates for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable), the

Employer shall discontinue the COBRA Benefits, shall instead pay to you a payment equal to the employer portion of premium costs of health benefits provided to you and your dependents for the remainder of the Severance COBRA Period. Severance Pay does not entitle you to any other ongoing benefits from the Employer and you will not be an employee of the Employer for any purpose during any period that you are receiving Severance Pay.

(c) **No Other Severance**. You acknowledge that the Standard Entitlements and the payments and benefits provided herein, constitute the only payments and benefits you shall be entitled or eligible to receive from the Employer in the event of any termination of your employment without Cause or with Good Reason, and neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement, except as expressly provided in this Agreement, or otherwise in respect of your employment, and except as may be required by the terms of the Employer's benefit plans and programs.

4.2 **Conditions for Receiving Severance Pay**. In order to receive Severance Pay and COBRA Benefits, you must (i) execute and deliver to the Employer a full general release prepared by and satisfactory to the Employer (and any applicable revocation period applicable to such general release must have expired) within fifty-five (55) days following your termination of employment; (ii) cooperate with the orderly transfer of your duties as requested by the Employer; and (iii) return all Employer property by a date specified by the Employer, but no earlier than five (5) business days after the Employer provides you with written notice to do so. If the Severance Pay becomes payable in accordance with this Section 4.2, an amount equal to the first installment of Severance Pay shall constitute consideration for delivery of the general release contemplated by this Section (the "*Release Consideration*").

4.3 **Termination for Cause or other than for Good Reason; Other Terminations**

(a) **Standard Entitlements for Cause Termination, Resignation without Good Reason, Death, or Disability Termination.** If the Employer terminates your employment for Cause, or if you voluntarily terminate your employment for any reason other than Good Reason, the Standard Entitlements constitute the only payments and benefits you shall be entitled to receive from the Employer and in such case neither the Employer nor any of its Affiliates shall have any further liability or obligation to you under this Agreement or otherwise in respect of your employment. Without limiting the foregoing, you will not be entitled to receive Severance Pay upon any termination of your employment other than a termination by the Employer without Cause or by you for Good Reason. For clarity, the following events do not constitute a termination of your employment by the Employer without Cause and therefore you will not be entitled to Severance Pay upon the following events: (1) your death, or (2) termination of your employment by you or the Employer based on your long-term disability (as defined in the Employer's long-term disability plan); provided, however, that nothing in this Agreement effects your entitlement to benefits upon your death or termination of your employment based on your disability for which you are otherwise eligible pursuant to other plans, programs or arrangements maintained by the Employer or its Affiliates.

(b) **"Cause" Definition.** For purposes of this Agreement, "***Cause***" is defined as: (i) any act or omission that constitutes a material breach by you of your obligations under this Agreement; (ii) your failure or refusal (other than any failure which occurs as a result of your disability) to perform material duties required of you as an executive of the Employer to the reasonable satisfaction of the Employer; (iii) any material violation by you of any (x) material policy, rule or regulation of the Employer or (y) any material law or regulation applicable to the business of the Employer or any of its Affiliates; (iv) your act or omission constituting fraud, a material act of dishonesty or breach of fiduciary duty, gross negligence, willful misconduct or intentional and material misrepresentation in relation to your duties to the Employer or with respect to any of its Affiliates, or any of their respective customers,

suppliers or other material business relations; or (v) your conviction of, or plea of guilty or nolo contendere to, any crime which constitutes a felony, a crime of moral turpitude, or a misdemeanor which relates to your suitability for employment in your then-current position; provided, however, that in no event will you be terminated for Cause without (x) specific written notification to you of the alleged specific grounds for Cause and (y) a reasonable opportunity for you to be heard by the Executive Committee.

(c) **"Good Reason" Definition.** For purposes of this Agreement, "***Good Reason***" is defined as the occurrence of any of the following without your prior written consent: (i) a change in the principal location at which you are required to provide services to the Employer to more than fifty (50) miles from Seattle, Washington; (ii) a material decrease in your Base Salary or Bonus Target; (iii) a material reduction of your duties, authority or responsibilities with the Employer from those in effect immediately following the First Effective Time, which causes your position with the Employer to become of less responsibility or authority than your position as of immediately following the commencement of your employment with the Employer; provided, however, that changes to your reporting structure as contemplated by Section 2 shall not constitute Good Reason; or (iv) a successor to the Employer fails to assume this Agreement in writing upon becoming a successor or assignee of the Employer; provided, however, that termination for Good Reason by you shall not be permitted unless (x) you have given the Employer written notice no later than the date thirty (30) days following the first occurrence of an event giving rise to your assertion that you have a basis for a termination for Good Reason, which notice shall specify the facts and circumstances constituting a basis for termination for Good Reason, (y) the Employer has not remedied such facts and circumstances constituting a basis for termination for Good Reason within the thirty (30)-day period following the delivery of such notice (the "*Cure Period*"), and (z) you actually terminate your employment within thirty (30) days following the end of the Cure Period.

4.4 **Compliance with the Non-Competition, Confidentiality, and Proprietary Information Agreement**. You and the Employer acknowledge that any Severance Pay or COBRA Benefits owed to you pursuant to Section 4.1(b), other than that portion constituting the Release Consideration, is part of the consideration for your undertakings under Section 5 and the Restrictive Covenants Agreement (as defined in Section 6) and payment of such amount is subject to your continued compliance with Section 5 and the Restrictive Covenants Agreement. If you violate the provisions of Section 5 or the Restrictive Covenants Agreement, then the Employer will have no obligation to make any of the Severance Pay payments that remain payable by the Employer on or after the date of such violation except to the extent that an amount equal to the Release Consideration has not yet been paid, provided however that the Employer has delivered written notice to you of the alleged violation(s) and you have had a reasonable opportunity to be heard by the Employer.

4.5 **Waiver of Payments**. You acknowledge and agree that the Severance Pay, if any, which may be payable under this Section 4 is in lieu of and not in addition to any severance payments which may be generally available to employees of the Employer, and you hereby waive any right you may have in or to any severance payments not contained in this Section 4.

4.6 **Deemed Resignation**. Unless otherwise agreed to in writing by the Employer and you prior to the termination of your employment, any termination of your employment shall constitute an automatic resignation of you as an officer of the Employer and each affiliate of the Employer, and an automatic resignation of you from the board of directors of the Employer (if applicable) and from the board of directors or similar governing body of any affiliate of the Employer and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Employer or any affiliate holds an equity interest and with respect to which board or similar governing body you serve as the Employer's or such affiliate's designee or other representative.

5. **Confidentiality**. The Executive agrees at all times during the Term and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Employer to the extent necessary to perform her obligations to the Employer during the Term, or to disclose to any person, firm, corporation or other entity, without written authorization of the Employer, any Confidential Information of the Employer, except for the benefit of the Employer to the extent necessary to perform her obligations to the Employer during the Term. The Executive further agrees not to make copies of such Confidential Information except as authorized by the Employer or for the benefit of the Employer to the extent necessary to perform her obligations to the Employer during the Term. The Executive understands that "*Confidential Information*" means any Employer proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, suppliers, customer lists and customer information (including, but not limited to, customers of the Employer on whom she called or with whom she became acquainted during the Term), prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to you by the Employer either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by me during the Term, whether or not during working hours. The Executive understands that Confidential Information includes, but is not limited to, information pertaining to any aspect of the Employer's business which is either information not known by actual or potential competitors of the Employer or other third parties not under confidentiality obligations to the Employer, or is otherwise proprietary information of the Employer or its customers or suppliers, whether of a technical nature or otherwise. The Executive further understands that Confidential Information does not include any of the foregoing items that have become publicly and widely known and made generally available through no wrongful act of hers or of others who were under confidentiality obligations as to the item or items involved. For purposes of Section 5, the term "*Employer*" shall include the Employer and any of its affiliates. Notwithstanding the foregoing, it is understood by the parties that in the course of her service with the Employer, Executive may retain mental recollections or other impressions as a result of having had access to or knowledge of the Employer's Confidential Information, and the Employer agrees that such retained mental impressions shall not impede or restrict Executive from engaging in work for a subsequent employer or enterprise so long as Confidential Information is not expressly disclosed to such subsequent employer or enterprise.

6. **Restrictive Covenants**. In consideration for your employment with the Employer and the compensation and benefits set forth in this Agreement, you agree to sign the Employer's standard restrictive covenants agreement attached hereto (the "Restrictive Covenants Agreement") and to comply with the terms and conditions set forth in the Restrictive Covenants Agreement.

7. **Representations and Warranties**. To induce the Employer to enter into this Agreement, you represent, warrant and covenant to the Employer that you are not subject to any legal, contractual or other restriction on your employment which would restrict your right to work for the Employer; that you have not disclosed to the Employer any confidential information or trade secrets of any third party, nor will you disclose to the Employer any confidential information or trade secrets of a third party where such disclosure would violate the terms of any agreement or otherwise breach any duty you may have to any such third party; and that any information or documents submitted to the Employer by you or on your behalf prior to the date hereof concerning your background, qualifications, work history, education and experience is true, accurate and complete and not otherwise misleading. You agree to indemnify, defend and hold harmless the Employer, its successors and assigns, upon demand, from and against any loss, liability, damage or expense (including reasonable attorneys' fees) which the Employer may sustain or incur by reason of the breach or incorrectness of any representation, warranty or covenant made by you in this Section 7.

8. **Proceeds of Your Services/Use of Your Image**. You acknowledge and agree that any and all proceeds of all services provided to the Employer and its affiliates and any and all works created or produced by you for the Employer and its affiliates (collectively referred to herein as the "Works") are being prepared by and for, and at the instigation and under the direction of, the Employer and that the Works are and at all times shall be regarded as "work made for hire" as that term is used in the United States copyright laws, and that all copyrights in and to the Works belong to the Employer as "work made for hire". Without limiting the preceding sentence, and by this Agreement, you irrevocably assign, grant and deliver, exclusively unto the Employer, its legal representatives, successors and assigns, all right, title and interest of every kind and nature whatsoever in and to the Works, and all copies, versions, derivatives, processes, systems, products and proceeds thereof, or resulting therefrom, including any copyrights in any country. You also grant the Employer the use of your performances and pictures, related to the performance of your service for the Employer, for advertising, public displays, promotion and all other legal presentations including, without limitation, the above mentioned uses. You release the Employer and its affiliates and their respective successors and assigns from all liability resulting from such use. This Section 8 shall survive the termination of your employment.

9. **Entire Agreement; Conflicts**. This Agreement and the Restrictive Covenants Agreement, together with the Employer's policies and procedures applicable to you (the "Related Employment Terms"), constitute the entire agreement between the parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. To the extent any terms of this Agreement or the Restrictive Covenants Agreement are expressly inconsistent with the terms or provisions of any Related Employment Terms, the terms of this Agreement or the Restrictive Covenants Agreement shall control. You

acknowledge that there are no agreements or arrangements, whether written or oral, in effect that would prevent you from rendering your exclusive services to the Employer during the term of this Agreement. For the avoidance of doubt, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof are hereby null and void and of no further force and effect.

10. **Injunctive Relief**. The Executive hereby agrees that if the Executive breaches, threatens to breach or attempts to breach any of the covenants and agreements contained in this Agreement, the Employer shall be entitled to seek an order enjoining the Executive from violating any of the provisions of this Agreement without the necessity of posting a bond or other security, and said application for such injunctive relief shall be without prejudice to any other right of action which may be available to the Employer or its successors or assigns by reason of a threatened, attempted or actual violation of this Agreement by the Executive. The Executive does further agree and acknowledge that the remedy at law for any breach or threatened breach of this Agreement and the covenants set forth herein may be inadequate, and accordingly, grants the Employer the aforesaid right and entitlement to seek injunctive relief for any of such breach or threatened breach of this Agreement in addition to, and not in limitation of, any and all other remedies at law or in equity available to the Employer.

11. **At Will Employment**. For the avoidance of doubt, no provision set forth in this Agreement shall be construed to create an express or implied employment contract for any specific period of time, and you or the Employer may terminate your employment at any time, with or without Cause or Good Reason (in other words, you are an "at will" employee).

12. **Timing of Payments Under Certain Circumstances**. With respect to any amount that becomes payable to you under this Agreement upon your Separation from Service (as defined below) for any reason, the provisions of this Section 12 will apply, notwithstanding any other provision of this Agreement to the contrary. If the Employer determines in good faith that you are a "specified employee" within the meaning of Section 409A of the Internal Revenue Code, any Treasury regulations promulgated thereunder and any guidance issued by the Internal Revenue Service relating thereto (collectively, "Code

Section 409A"), then to the extent required under Code Section 409A, payment of any amount that becomes payable to you upon Separation from Service (other than by reason of your death) and that otherwise would be payable during the six-month period following your Separation from Service shall be suspended until the lapse of such six-month period (or, if earlier, the date of your death). A "Separation from Service" means your separation from service, as defined in Code Section 409A, with the Employer and all other entities with which the Employer would be considered a single employer under Internal Revenue Code Section 414(b) or (c), applying the 80% threshold used in such Internal Revenue Code Sections or any Treasury regulations promulgated thereunder. Any payment suspended as provided in this Section 12, unadjusted for interest on such suspended payment, shall be paid to you in a single payment on the first business day following the end of such six-month period or within 30 days following your death, as applicable, provided that your death during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of your death.

13. **Compliance with 409A**. The provisions of this Agreement are intended to meet the requirements of Code Section 409A and will be interpreted in a manner that is consistent with such intent. Without limiting the generality of the foregoing, the Employer and you agree that any entitlement to Severance Pay pursuant to this Agreement shall be conditioned upon such termination constituting a Separation from Service of you as defined in Section 12 of this Agreement. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), The Executive's right to receive any installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. The parties intend that, to the maximum extent possible, any Severance Pay shall qualify as a short-term deferral pursuant to Treasury Regulation § 1.409A-1(b)(4) or a separation payment pursuant to Treasury Regulation § 1.409A-1(b)(9). In addition, any expense allowance or reimbursement that may become available to you under this Agreement must be paid on or before the last day of the calendar year following the calendar year in which the expense was incurred, and no such allowance or reimbursement shall be subject to liquidation or exchange for another benefit.

14. **Limitation on Payments**. If any payment or benefit (including but not limited to payments, vesting and benefits pursuant to this Agreement) that the Executive would receive from the Employer or otherwise ("*Transaction Payment*") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code (the "*Excise Tax*"), then the Employer shall cause to be determined, before any amounts of the Transaction Payment are paid or provided to the Executive, whichever of the following two alternative forms of payment would result in the Executive's receipt, on an after-tax basis, of the greater amount of the Transaction Payment notwithstanding that all or some portion of the Transaction Payment may be subject to the Excise Tax: (1) payment and provision in full of the entire amount of the Transaction Payment (a "*Full Payment*"), or (2) payment and provision of only a part of the Transaction Payment so that Executive receives the largest payment possible without the imposition of the Excise Tax (a "*Reduced Payment*") . For purposes of determining whether to make a Full Payment or a Reduced Payment, the Employer shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, (x) the Executive shall have no rights to any additional payments, vesting and/or benefits constituting the Transaction Payment, and (y) reduction in payments and/or benefits will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits paid or provided to the Executive. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's

equity awards. In no event will the Employer or any stockholder be liable to the Executive for any amounts not paid as a result of the operation of this Section 14.

14.1 The professional firm engaged by the Employer for general tax purposes as of immediately prior to the transaction giving rise to the Transaction Payment shall make all determinations required to be made under this Section 14. If the professional firm so engaged by the Employer is serving as accountant or auditor for the individual, entity or group effecting the transaction, the Employer shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Employer shall bear all expenses with respect to the determinations by such professional firm required to be made hereunder.

14.2 The professional firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Employer and the Executive within fifteen (15) calendar days after the date on which Executive's right to a Transaction Payment is triggered or such other time as reasonably requested by the Employer or the Executive. If the professional firm determines that no Excise Tax is payable with respect to the Transaction Payment, either before or after the application of the Reduced Amount, it shall furnish the Employer and the Executive with detailed supporting calculations of its determinations that no Excise Tax will be imposed with respect to such Transaction Payment. Any good faith determinations of the professional firm made hereunder shall be final, binding and conclusive upon the Employer and the Executive.

15. **Severability**. If any provision of this Agreement is declared by any court to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this Agreement, which shall remain in full force and effect. In addition, the parties agree that a court may, and is directed to, revise any such provision so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial intervention, they shall renegotiate any invalidated or unenforceable provision so as to accomplish its objective to the extent permitted by law.

16. **Expenses**. Each party will be responsible for payment of any attorneys' fees and other expenses incurred by such party in the negotiation and drafting of this Agreement.

17. **Notices**. Any notice provided for in this Agreement shall be in writing and shall be deemed to have been given or made (other than a notice of change of a party's notice address, which shall be deemed to have been given or made only upon actual receipt) (a) when personally delivered, (b) one business day following deposit with a nationally recognized courier for overnight delivery, (c) three days following deposit for mailing by registered or certified mail, postage-paid and return receipt requested, or (d) if delivered by facsimile transmission, upon confirmation of receipt of the transmission, to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section 17:

(a) If to the Employer:

Ziggy Merger Sub, LLC
2601 Elliott Avenue, Suite 200
Seattle, WA 98121
Attention: President
With a copy to: General Counsel
Fax No.: 206-299-3772

(b) If to you:

Lori Twomey
2601 Elliott Avenue, Suite 200
Seattle, WA 98121

Fax No.: 206-299-3772

18. **Waiver; Amendment**. No waiver by a party to this Agreement of a breach or default under this Agreement by the other party shall be considered valid unless in writing signed by such first party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature. No modification, change or amendment of this Agreement or any of its provisions shall be valid unless in writing and signed by the party against whom such claimed modification, change or amendment is sought to be enforced.

19. **Assignment; Assumption By Successor**. The Employer and its successors and assigns may freely assign its rights and obligations under this Agreement, in whole or in part, including but not limited to any and all of the rights, titles, properties and interests acquired by the Employer herein and hereunder, and this Agreement and all of its terms and provisions and all rights herein and hereunder shall inure to the benefit of the successors and assigns of the Employer. Without the prior written consent of the Employer, the Executive shall not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity. The Employer shall require any successor or assignee (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all the business and/or assets of the Employer, by agreement in writing in form and substance reasonably satisfactory to you, expressly, absolutely, and unconditionally to assume and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession or assignment had taken place.

20. **Governing Law; Venue**. The terms of this Agreement shall be governed by and construed under and in accordance with the substantive laws of the State of Washington without reference to the principles of conflicts of laws. The Executive and the Employer hereby consent to the exclusive jurisdiction of the state courts of the State of Washington, King County and the United States Federal Courts for the Western District of Washington in all matters arising hereunder or out of the transactions contemplated hereby.

21. **Provisions Regarding Effective Date**. As indicated in Section 1, this Agreement is effective as of the First Effective Time and, accordingly, in connection therewith and notwithstanding any other provision of this Agreement, the parties agree that this Agreement shall be null and void and of no force or effect if (a) the Executive ceases to be employed by the Employer at any time prior to the First Effective Time, (b) the First Effective Time does not occur on or prior to February 1, 2016, and/or (c) the Merger Agreement is terminated for any reason.

The undersigned have entered into this Executive Employment Agreement as of the date first written above.

Ziggy Merger Sub, LLC

By: /s/ Craig Troyer
Name: Craig Troyer
Title: Vice President and Assistant Secretary

The undersigned have entered into this Executive Employment Agreement as of the date first written above.

EXECUTIVE

/s/ Lori Twomey
Lori Twomey

RESTRICTIVE COVENANTS

Intending to be legally bound, Lori Twomey ("*you*") agrees to comply with the following restrictive covenants ("*Restrictive Covenants*"), in consideration of your employment

with Ziggy Merger Sub, LLC and/or any of its affiliated entities (the "*Company*"), including all compensation and benefits provided by the Company related to such employment, and ancillary to and as a condition precedent to that certain Agreement and Plan of Reorganization dated August 16, 2015 by and among Liberty Interactive Corporation, Mocha Merger Sub, Inc., Ziggy Merger Sub, LLC and zulily, inc. (the "*Merger Agreement*"), under the following terms:

I. Restrictive Covenants: You agree that for so long as you are employed by the Company and until the date twelve (12) months after your last day of employment with the Company, regardless of the reason for your separation, you shall not, directly or indirectly:

A. within the United States and elsewhere where the Surviving Company (as defined in the Merger Agreement) conducts its business, (A) be employed by, act as an agent for, or consult with or otherwise perform services for a Competitor (as defined below) or (B) own any equity interest in, manage or participate in the management (as an officer, director, partner, member or otherwise) of, or be connected in any other manner with, a Competitor (except that this shall not restrict ownership of less than one percent (1%) of the equity interests of any publicly held entity). As used in the Restrictive Covenants, "Competitor" means any individual or entity that is directly or indirectly engaged, or is preparing to engage, in any business which is competitive with any business in which QVC, Inc. and/or the Surviving Company is engaged, or is preparing to engage, without the prior written consent of QVC, Inc. and the Surviving Company; and/or

B. solicit, induce or attempt to solicit or induce any employee of the Company to leave the employ of the Company; provided that "solicit" shall not include the solicitation of any such person by advertising in a newspaper or periodical of general circulation or by an employee or executive search firm acting on your behalf, if neither you nor any of your affiliates instructed or encouraged the solicitation of a specific person, or take any action in furtherance of any of the foregoing; and/or

C. induce or attempt to induce any person or entity to terminate, reduce or alter a relationship with the Company, or otherwise interfere with any relationship between the Company and another person or entity.

II. Acknowledgments

A. You acknowledge and agree that the restrictions set forth in these Restrictive Covenants are critical and necessary to protect the Company's legitimate business interests; will not impose an undue hardship on you; are reasonable in duration, scope, and otherwise; are not injurious to the public interest; and are supported by adequate consideration.

B. You further acknowledge and agree that: (1) any breach or claimed breach on the part of the Company regarding the terms of your employment agreement, if any, or any other claims against the Company will not be a defense to the Company's enforcement of these Restrictive Covenants , (2) the circumstances of your termination of employment with the Company will have no impact on your obligations under these Restrictive Covenants, (3) if any covenant set forth in these Restrictive Covenants is deemed invalid or unenforceable for any reason, it is the intention of the parties that such covenant(s) be equitably reformed or modified only to the extent necessary to render them valid and enforceable in all respects, (4) in the event that any time period and/or geographic scope referenced in these Restrictive Covenants is deemed unreasonable, overbroad, or otherwise invalid, it is the intention of the parties that

the enforcing court reduce or modify the time period and/or geographic scope only to the extent necessary to render such covenants reasonable, valid, and enforceable in all respects, (5) your obligations under these Restrictive Covenants shall be tolled during any period that you are in breach of any of the obligations under these Restrictive Covenants, so that the Company is provided with the full benefit of the restrictive periods set forth herein, and (6) you specifically authorize the Company to contact your future employers or potential employers to confirm your compliance with the Restrictive Covenants and/or to furnish copies of these Restrictive Covenants to such employers.

C. The Company cannot be reasonably or adequately compensated in damages in an action at law in the event you breach your obligations under these Restrictive Covenants. As a result, in the event that you breach any of the provisions in these Restrictive Covenants, you agree that the Company may suffer immediate, irreparable injury and will, therefore, be entitled to injunctive relief, in addition to any other legal and/or equitable damages to which it may be entitled, as well as the costs and reasonable attorneys' fees incurred in enforcing its rights under these Restrictive Covenants.

D. Notwithstanding anything to the foregoing in these Restrictive Covenants, while Executive is employed, in the event of a conflict between the policies of the Company (as applicable to Executive and similarly situated employees) and any provision of these Restrictive Covenants, the stricter of such policies and such provision of this Agreement shall control. Following Executive's termination of employment, the Company's policies to the extent applicable to former employees will still apply to the Executive, but the post-employment non-competition and non-solicitation covenants set forth in this Agreement will control in the event of any conflict with otherwise applicable Company policy.

E. The obligations of these Restrictive Covenants will survive the termination of your employment with the Company, regardless of the reason for your separation, whether pursuant to an employment agreement or otherwise.

Lori Twomey

/s/ Lori Twomey

Date: 8.16.2015