






**Barnes & Noble, Inc.****BKS NYSE****Retail - Specialty**

Market Capitalization USD:

**\$737.41 mm****CONCERN LEVEL: HIGH**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap. 
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: William Lynch****Age: 42****CEO Since: 2010**

	2009	2010	2011
<b>Base Salary</b>	\$200,000	\$800,000	\$1,142,308
<b>Discretionary Bonus</b>	\$0	\$0	\$450,000
<b>Annual Cash Incentive</b>	\$653,836	\$1,961,507	\$0
<b>Benefits and Perquisites</b>	\$22,522	\$60,612	\$32,750
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$876,358</b>	<b>\$2,822,119</b>	<b>\$1,625,058</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$59,736	\$0
<b>Stock Option Awards</b>	\$0	\$0	\$5,285,000
<b>Stock Awards</b>	\$0	\$160,036	\$3,098,340
<b>TOTAL COMPENSATION</b>	<b>\$876,358</b>	<b>\$3,041,891</b>	<b>\$10,008,398</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$2,898,257	\$8,996,102	\$2,475,928
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$330,517	\$0
<b>Value Realized on Vesting of Stock</b>	\$411,575	\$0	\$3,614,500
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$411,575</b>	<b>\$330,517</b>	<b>\$3,614,500</b>

Proxy Date: 23 Jul 2012

Annual Meeting Date: 11 Sep 2012

Equity Reserves: 10.95%

Stock Option Run Rate: 1.15%

# Barnes & Noble, Inc.

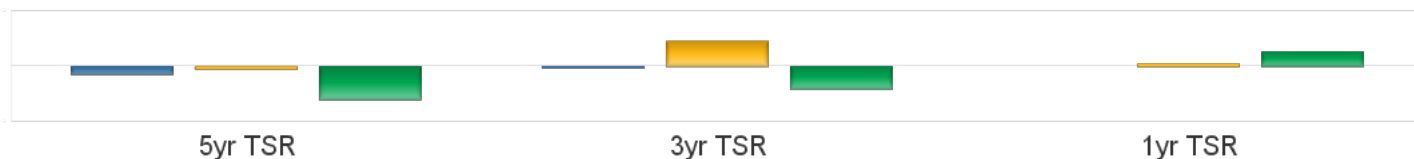
BKS NYSE

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## Performance Comparison

■ S&P500 ■ Industry ■ BKS



## Peer Comparisons (TRBC) =Retail - Specialty

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>BKS</b>	<b>Barnes &amp; Noble, Inc.</b>	<b>\$876,358</b>	<b>\$3,041,891</b>	<b>\$10,008,398</b>	<b>\$737,414,118</b>
BID	Sotheby's	\$2,354,242	\$5,967,995	\$7,031,730	\$1,862,436,430
KAR	KAR Auction Services, Inc.	\$2,088,370	\$2,688,967	\$1,475,278	\$1,650,105,778
PAG	Penske Automotive Group, Inc.	\$3,875,000	\$3,908,000	\$4,464,933	\$1,472,994,655
CAB	Cabela's Incorporated	\$3,618,687	\$2,970,185	\$3,269,662	\$1,423,683,270
PIR	Pier 1 Imports, Inc.	\$2,740,326	\$8,001,925	\$8,479,165	\$1,070,897,158
MNRO	Monro Muffler Brake Inc.	\$2,581,159	\$2,264,700	\$1,764,039	\$1,007,479,522

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Adobe Systems Incorporated; Bed, Bath & Beyond, Inc.; Dick's Sporting Goods, Inc.; eBay Inc.; Expedia, Inc.; The Gap, Inc.; Intuit Inc.; Limited Brands, Inc.; Motorola Mobility Holdings, Inc.; NCR Corporation; Netflix, Inc.; Office Depot, Inc.; OfficeMax, Inc.; priceline.com Incorporated; Radio Shack, Corp.; Research In Motion Limited; SanDisk Corporation; Western Digital Corporation; Williams-Sonoma, Inc. and Yahoo! Inc.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
George Campbell	Chairman	66	Male	4	Outside
David G. Golden	Member	54	Male	2	Outside
William T. Dillard	Member	67	Male	19	Outside Related

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