

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE BARNES & NOBLE
STOCKHOLDER DERIVATIVE LITIGATION

C.A. No. 4813-CS

ORDER AND FINAL JUDGMENT

A hearing having been held before this Court on September 4, 2012, pursuant to the Court's Order of June 15, 2012, (the "Scheduling Order"), upon a Stipulation of Settlement, dated June 13, 2012 (the "Stipulation"), of the above-captioned action (the "Derivative Action"), which is incorporated herein by reference; it appearing that due notice of the hearing has been given in accordance with the Scheduling Order; the respective parties having appeared by their attorneys of record; the Court having heard and considered evidence in support of the proposed Settlement; the attorneys for the respective parties having been heard; an opportunity to be heard having been given to all other persons requesting to be heard in accordance with the Scheduling Order; the Court having determined that notice to Current Shareholders was adequate and sufficient; and the entire matter of the proposed Settlement having been heard and considered by the Court,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED this 4 day of September June, 2012, that:

- A. Unless otherwise defined herein, all defined terms shall have the meaning set forth in the Stipulation and the Scheduling Order.
- B. The Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing, and Right to Appear (the "Notice") has been given to

Current Shareholders, pursuant to and in the manner directed by the Scheduling Order, proof of (i) mailing of the Notice and of the posting of the Notice on the websites of Barnes & Noble, Grant & Eisenhofer, P.A., Chimicles & Tikellis LLP, Kahn Swick & Foti, LLC, and Barrack, Rodos & Bacine; (ii) dissemination of the Summary Notice on PR Newswire; and (iii) issuance of B&N's Form 8-K with the Summary Notice attached was filed with the Court, and full opportunity to be heard has been offered to all Parties and Current Shareholders. The form and manner of the Notice are hereby determined to have been the best form and manner of notice practicable under the circumstances and to have been given in full compliance with each of the requirements of Rule 23.1 of the Rules of the Court of Chancery of the State of Delaware and due process, and it is further determined that the Company, Plaintiffs, and all Current Shareholders are bound by this Order and Final Judgment.

C. Based on the record in the Derivative Action, each of the provisions of Court of Chancery Rule 23.1 has been satisfied and the Derivative Action has been properly maintained according to the provisions of Court of Chancery Rule 23.1.

D. Plaintiffs LMPERS and SEPTA have held stock in the Company since the time of the conduct complained of in the Derivative Action, otherwise have standing to prosecute the Derivative Action, and are adequate representatives of all shareholders of the Company.

E. The Stipulation and the Settlement are found to be fair, reasonable, adequate, and in the best interests of Barnes & Noble and the Company's shareholders, and are hereby approved pursuant to the Court of Chancery Rule 23.1. The Parties to the Stipulation are hereby authorized and directed to comply with and to consummate the Settlement in accordance with its terms and provisions, and the Register in Chancery is directed to enter and docket this Order and Final Judgment.

F. This Order and Final Judgment shall not constitute any evidence, or an admission by any Party herein, that any acts of wrongdoing have been committed by any of the Parties to the Derivative Action and shall not be deemed to create any inference that there is any liability therefor.

G. This Order and Final Judgment is binding on the Parties and all Company stockholders and shall have preclusive effect in all pending and future lawsuits or other proceedings maintained by or on behalf of the Parties or Company stockholders.

H. The Derivative Action is hereby dismissed with prejudice as to all Defendants and as to the Company, and against SEPTA, LMPERS, and all Current Shareholders on the merits and, without fees, costs, and/or expenses to any Party except as provided in Paragraph O below.

I. Upon the Final Settlement Date, (i) Plaintiffs, the Company and all B&N stockholders shall, by operation of this Judgment and to the fullest extent allowed by law, release and be deemed to release and forever discharge the B&N Released Claims against the Defendant Released Persons and Louise Riggio, and (ii) Plaintiffs and the Company shall covenant and be deemed to covenant not to sue the Defendant Released Persons or Louise Riggio with regard to any B&N Released Claims.

J. Upon the Final Settlement Date, (i) Defendants and Louise Riggio shall, by operation of this Judgment and to the fullest extent allowed by law, release and be deemed to release and forever discharge the Defendant Released Claims against the B&N Released Persons, and (ii) Defendants and Louise Riggio shall covenant and be deemed to covenant not to sue the B&N Released Persons with regard to any Defendant Released Claims.


K. Upon the Final Settlement Date, the Company, Defendants and Louise Riggio shall, by operation of this Judgment and to the fullest extent allowed by law, release and be deemed to release and forever discharge Plaintiffs and Plaintiffs' Counsel from any and all claims relating to their conduct in litigating the Action; provided, however, that nothing herein shall be deemed to be a release of B&N's right to recover attorneys' fees following occurrence of a Fee Recovery Event (as defined in the Stipulation), or to prevent B&N from taking any appropriate actions to recover attorneys' fees upon the occurrence of a Fee Recovery Event.

L. The release set forth herein extends to claims that the parties granting the release do not know or suspect to exist at the time of the release, which if known, might have affected the releasing parties' decision to enter into the release; the releasing parties shall be deemed to relinquish, to the extent applicable and to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code; and the releasing parties shall be deemed to waive any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code section 1542.

M. The Parties and Louise Riggio are hereby authorized, without further approval from the Court, to agree to adopt such amendments, modifications, and expansions of the Stipulation that are consistent with this Order and Final Judgment and the Stipulation and that do not limit the rights of SEPTA, LMPERS, the Defendants, the Company, or the Company's shareholders under the Stipulation.

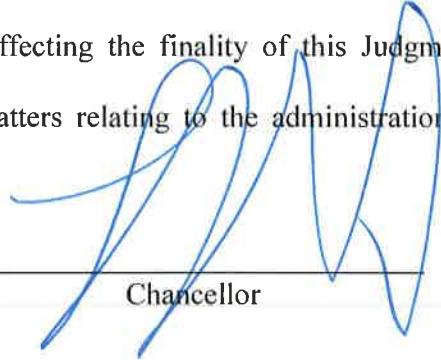
N. Plaintiffs, B&N's stockholders, the Company, and anyone claiming through or for the benefit of any of them, are hereby permanently enjoined from asserting, commencing, prosecuting, assisting, instigating or in any way participating in the

commencement or prosecution of any action or other proceeding, in any forum, asserting derivatively any B&N Released Claims against the Defendant Released Persons and Louise Riggio.

O. Plaintiffs' Counsel are awarded attorneys' fees ~~in the amount of~~ ^{9/4/12} ~~\$ ~~, and expenses in the amount of \$ 7,000,000, which award the Court finds to be fair and reasonable, and which shall be paid to Plaintiffs' Counsel in accordance with the Stipulation.

P. No proceedings or Court order with respect to the award, if any, of attorneys' fees, costs, and/or expenses to Plaintiffs' Counsel shall in any way disturb or affect this Order and Final Judgment (including precluding the Order and Final Judgment from being Final or otherwise being entitled to preclusive effect), and any such proceedings or Court order shall be considered separate from this Order and Final Judgment.

Q. Without affecting the finality of this Judgment in any way, this Court reserves jurisdiction over all matters relating to the administration and consummation of the Settlement.



Chancellor