

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): April 1, 2020

BARNES & NOBLE EDUCATION, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-37499

(Commission File Number)

46-0599018

(IRS Employer Identification No.)

120 Mountain View Blvd., Basking Ridge, NJ

(Address of principal executive offices)

07920

(Zip Code)

Registrant's telephone number, including area code: (908) 991-2665

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

On April 1, 2020, as a result of the unusual circumstances surrounding the COVID-19 epidemic, Michael P. Huseby, Chairman and Chief Executive Officer of Barnes & Noble Education, Inc. (the “Company”) voluntarily agreed to a temporary reduction of his base salary of 25%, effective April 13, 2020. As contemplated by the letter agreement between Mr. Huseby and the Company, dated as of April 1, 2020 (the “Letter Agreement”), the temporary reduction in Mr. Huseby’s base salary will continue through the end of the current term of his employment agreement. Mr. Huseby will remain eligible to participate in the Company’s short-term incentive programs at a level commensurate with his previous salary.

The foregoing summary of the Letter Agreement is not complete and is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

ITEM 8.01 OTHER EVENTS

On March 24, 2020, in response to the widespread COVID-19 epidemic, the Company temporarily closed a majority of its Barnes & Noble College (“BNC”) campus bookstores as the schools they served closed and/or transitioned to online learning. On April 2, 2020, the Company disseminated an internal memorandum to its employees communicating that, beginning April 6, 2020, it will be instituting a furlough program impacting the majority of the BNC workforce and a select number of employees from the Company’s other segments, as well as announcing other initiatives being taken by the Company with respect to its response to the impacts of the COVID-19 epidemic on the Company’s business (“Employee Memorandum”). The Employee Memorandum also notes that the Company’s MBS Textbook Exchange subsidiary and its warehouse distribution operations in Columbia, MO are continuing to operate as an essential business in support of the delivery of course materials to the Company’s virtual and physical store customers.

The foregoing summary of the Employee Memorandum is not complete and is qualified in its entirety by reference to the full text of the Employee Memorandum, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The Employee Memorandum shall not be considered “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into future filings by the Company under the Securities Act of 1933, as amended, or under the Exchange Act, unless the Company expressly sets forth in such future filings that such information is to be considered “filed” or incorporated by reference therein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Letter Agreement, dated April 1, 2020 between the Company and Michael P. Huseby.</u>
<u>99.1</u>	<u>Employee Memorandum, dated April 2, 2020, from Michael P. Huseby, Chairman and Chief Executive Officer.</u>

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 2, 2020

BARNES & NOBLE EDUCATION, INC.

By: /s/ Michael C. Miller

Name: Michael C. Miller

Title: Executive Vice President, Corporate Affairs and Chief Legal Officer

BARNES & NOBLE EDUCATION, INC.
120 Mountainview Boulevard
Basking Ridge, New Jersey 07920

April 1, 2020

Mr. Michael P. Huseby
750 3rd Avenue, 6th Floor
New York, New York 10017

Dear Mr. Huseby:

This letter reflects the agreement between you and Barnes & Noble Education, Inc. (the “Company”) regarding your offer to reduce your gross annual base salary from \$1,100,000 per annum to \$825,000 per annum in recognition of the unusual circumstances expected to continue to impact the Company’s operations as a result of the COVID-19 epidemic. You have agreed that the reduction will apply beginning April 13, 2020 and will continue through September 19, 2020, which is the last day of the current “Renewal Term” under the letter agreement between you and the Company dated as of July 19, 2017 (the “Letter Agreement”). Unless otherwise agreed by you and the Company in writing, the reduction in your annual base salary shall no longer apply after the last day of the current Renewal Term. You hereby acknowledge and agree that this reduction shall not constitute grounds for you to resign for “Good Reason” pursuant to the Letter Agreement.

You and the Company hereby agree that any severance benefits that may be owed to you, whether pursuant to Section 3.9 or 3.10 of the Letter Agreement or otherwise, shall be determined without regard to the reduction in your annual base salary. Thus, for the avoidance of doubt, for purposes of Sections 3.9 and 3.10 of the Letter Agreement, your “Annual Base Salary” shall remain \$1,100,000. In addition, for purposes of your annual bonus determination under Section 3.2 of the Letter Agreement, the reference to your Annual Base Salary shall disregard the reduction pursuant to this letter unless you and the Company mutually agree in writing that the reduction shall be permanent.

Thank you for your service to the Company in these challenging times. Please indicate your acceptance of the terms of this letter by signing below and returning a copy to me.

Very truly yours,

/s/ John R. Ryan
John R. Ryan
Lead Independent Director

AGREED AND ACCEPTED:

/s/ Michael P. Huseby
Michael P. Huseby
Date: April 1, 2020

Good afternoon,

As we are all aware, the ongoing COVID-19 pandemic is creating unprecedented health and financial impacts and risks – globally, for BNED’s business and for each one of us and our families. We are all and each being severely tested. BNED must adapt quickly in light of this evolving and very fluid situation, and we are taking steps to do so.

We know that our people are our greatest asset and BNED has taken a number of steps to ensure your health, safety and well-being. That remains our top priority – now, and always. At the same time, it is imperative that we take unpleasant but necessary steps to strengthen BNED’s financial position and sustainability during this period of uncertainty when we are unable to forecast future cash flows. We need to do what is prudent today to create the best opportunity for BNED to emerge from this crisis in as strong a position as possible. This is our responsibility to you as employees, to our customers and to our other stakeholders.

Earlier this afternoon, certain employees from our stores and corporate offices were informed that they will be furloughed effective Monday, April 6, until further notice. Employees who participate in any company benefit plans will retain those benefits, and can apply for unemployment benefits during the furlough period. That said, furloughed employees will not be able to send or receive work-related email or text messages, or be on work-related calls.

This was an incredibly difficult decision, however these steps will enable us to continue providing our people with much needed benefits. And it means that when life goes back to normal, as we know it eventually will, we will be well-positioned to resume normal operations as our schools reopen and ensure we can provide our valued team members opportunities for growth and development.

With the announcement of this furlough, we will also be temporarily suspending employer matching contributions into our 401(k) plan through the end of 2020. We will be providing additional information on this change tomorrow.

I assure you that these decisions were made with a very heavy heart given their impact on our employees and their families. We realize the significance of this for you and the hardship it will cause for many. These were by far the most difficult decisions we’ve had to make, because they impact so many of our people that we truly value and deeply care about. As CEO, I believe it is important that I share in the sacrifice our people are making in a very direct and personal way. Accordingly, I am taking a 25% reduction in my base salary through the end of my current contract term.

It is critical to remember that, despite these challenging circumstances, BNED is working on a number of important initiatives that will drive success for both our company and our customers. There is much to be proud of, and much to continuing working towards.

- We are working closely with our existing schools and, also, winning exciting new accounts, and seeing increased demand for digital offerings including BNC First Day® and AIP, as well as First Day Complete; digital and virtual access with more affordable solutions are more relevant than ever.
 - We are continuing to support students through our bartleby® digital suite of solutions, and are also providing free access to these tools to further help students as they adjust to online learning.
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- And we are ensuring students will have books in their hands for the Fall term, thanks to our dedicated team at the MBS warehouse, which continues to operate as an essential business during this time.

We are living in very difficult times, and there are many unknowns because no one can accurately predict the COVID curve. We are all in this together and I know that we will get through this thanks to the strength of our people and the value we deliver to our institutional and student relationships. Our BNED senior leadership is working tirelessly and has pledged its total commitment to do whatever it takes to guide BNED through these times.

We are extremely grateful to each and every one of you for the roles you play in supporting our customers and driving our company forward. Please stay safe and healthy. Remember that your well-being, and the well-being of your families and communities, are of the utmost importance right now.

Thank you again for your dedication and commitment during this challenging time.

A handwritten signature in black ink, appearing to read "Mike".

Mike