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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): March 20, 2019

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**GameStop Corp.**

(Exact name of Registrant as specified in its charter)

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**Delaware**

**1-32637**

**20-2733559**

(State or Other Jurisdiction  
of Incorporation or Organization)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

**625 Westport Parkway, Grapevine, TX 76051  
(817) 424-2000**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**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 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

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.

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officer; Compensatory Arrangement of Certain Officers.**

On March 21, 2019, the Board of Directors (the “Board”) of GameStop Corp. (the “Company”) appointed George Sherman, age 56, to be its Chief Executive Officer, commencing on or about April 15, 2019 (the “Start Date”) and succeeding our interim Chief Executive Officer Shane Kim. Effective on the Start Date, the Board also expanded its size to ten members and appointed Mr. Sherman to serve as a member of the Board until our 2019 annual meeting of stockholders and until his successor is elected and qualified.

Prior to his appointment as the Chief Executive Officer, Mr. Sherman served as the Chief Executive Officer of Victra, one of the largest authorized retailers for Verizon Wireless in the U.S. with more than 1,140 Verizon branded retail stores in 46 states. Mr. Sherman, who has a long background in the retail industry, had previously served three years as president of Advance Auto Parts based out of its operations center in Raleigh, North Carolina, including a short stint as interim CEO. During his tenure, he helped merge and integrate Raleigh-based General Parts International following its acquisition in 2014. Mr. Sherman has also served in leadership roles at Best Buy and Home Depot.

In connection with his appointment as Chief Executive Officer, Mr. Sherman entered into an employment agreement with the Company dated March 21, 2019 (the “Employment Agreement”). The Employment Agreement provides that we will use commercially reasonable efforts to nominate him for re-election to the Board upon any expiration of his term of Board service that occurs during his employment. Accordingly, we intend to nominate Mr. Sherman for re-election to our Board at our 2019 annual meeting of stockholders.

Mr. Sherman will be entitled to receive the following compensation and benefits in connection with his service to the Company:

- an annual base salary of \$1,100,000;
- a one-time sign-on bonus of \$150,000 (subject to repayment in the event of certain terminations within two years of his Start Date);
- an annual cash bonus opportunity with a target amount equal to 150% of his base salary;
- one-time relocation benefits in connection with his relocation to the Dallas/Ft. Worth metropolitan area; and
- participation in the benefit plans and programs afforded other management personnel or as determined by the Board or its Compensation Committee.

In addition, pursuant to New York Stock Exchange Rule 303A.08 and to induce Mr. Sherman to accept employment with the Company, Mr. Sherman will receive a “make whole” equity award with a grant date fair value of \$6,000,000 and a 2019 annual equity award with a grant date fair value of \$4,500,000. Each of these awards will consist of 50% time-vested restricted stock and 50% performance-based restricted stock. The vesting provisions of these awards will be substantially the same as those applicable to the 2019 annual equity awards that are expected to be made to our other named executive officers (three-year service requirement for time-vested awards; goals for the performance-based awards to be determined later in 2019; accelerated vesting in certain death, disability or severance scenarios). These awards will be made outside of GameStop’s Amended and Restated 2011 Incentive Plan, but will be subject to substantially the same terms as awards made under that plan.

The Employment Agreement also provides for severance benefits if Mr. Sherman’s employment is terminated by the Company without cause or due to his resignation with good reason. In those cases, Mr. Sherman will be entitled to receive (i) a lump sum severance payment equal to two times the sum of his base salary and target annual bonus, and (ii) 18-months of Company paid COBRA benefits. In addition, his time-vested equity awards would then vest and his performance-vested equity awards would remain outstanding and vest, if at all, based on actual performance through the end of the applicable performance period. However, if the severance event occurs within 18 months following a Change in Control, the “two times” multiplier described in clause (i) above will be increased to “three times.” In each case, the severance benefits would be conditioned on Mr. Sherman’s execution of a release of claims.

The Employment Agreement also includes customary non-solicitation, non-compete, intellectual property and confidentiality provisions.

There are no other arrangements or understandings between Mr. Sherman and any other persons pursuant to which Mr. Sherman was named Chief Executive Officer of the Company. Mr. Sherman does not have any family relationship with any of the Company's directors or executive officers or any persons nominated or chosen by the Company to be a director or executive officer. Other than with respect to the equity awards described in this Current Report, Mr. Sherman does not beneficially own any shares of the Company's common stock. Mr. Sherman does not have any direct or indirect material interest in any transaction or proposed transaction required to be reported under Item 404(a) of Regulation S-K.

The foregoing description of the Employment Agreement is not complete and is qualified by reference to the full text of the Employment Agreement, a copy of which is filed herewith as Exhibit 10.1.

On March 20, 2019, Mr. Kim advised the Company that he will not stand for re-election to the Board at the 2019 annual meeting of stockholders. Mr. Kim's decision to not stand for re-election is not because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

#### **Item 7.01 Regulation FD Disclosure.**

A copy of the Company's press release announcing Mr. Sherman's appointment and referenced in Item 5.02 is furnished with this Current Report as Exhibit 99.1.

The information furnished herewith pursuant to this Item 7.01 of this Current Report shall not be deemed to be "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, and shall not be incorporated by reference into any registration statement or other document under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

#### **Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

10.1 [Employment Agreement between George Sherman and the Company dated March 21, 2019.](#)

99.1 [Press Release issued by GameStop Corp., dated March 21, 2019.](#)

**SIGNATURE**

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

**GAMESTOP CORP.**

\_\_\_\_\_  
(Registrant)

Date: March 21, 2019

By: /s/ ROBERT A. LLOYD

\_\_\_\_\_  
Name: Robert A. Lloyd

Title: Chief Operating Officer and Chief Financial Officer

## EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into between George Sherman ("Executive") and GameStop Corp. (the "Company") (collectively referred to as the "Parties") on March 21, 2019.

The Parties hereby agree as follows:

1. **Executive's Position/Duties.** Effective on April 15, 2019 or such other date selected by the Parties (the "Effective Date"), Executive will be employed as the Chief Executive Officer of the Company and will have all of the duties and responsibilities of that position. Executive will report to, and be subject to the direction of, the Company's Board of Directors (the "Board"). Executive agrees (i) to dedicate all of his working time, skill and attention to the business of the Company and its subsidiaries, (ii) to remain loyal to the Company, and (iii) not to engage in any conduct that creates a conflict of interest to, or damages the reputation of, the Company, its affiliates and its subsidiaries. Executive will be subject to and abide by all policies promulgated by the Company from time to time, including the Company's Anti-Hedging Policy, Clawback Policy, Securities Trading Policy and Code of Ethics. In addition, as of the Effective Date, the Company will appoint Executive as a member of the Board and shall use commercially reasonable efforts to cause Executive to be reelected as a member of the Board while employed hereunder.
2. **Place of Employment.** Executive will perform the services required by this Agreement at the Company's principal offices in Grapevine, Texas. In addition, Executive will be required from time to time to travel to other locations on the Company's business.
3. **Exclusivity.** Following the first anniversary of the Effective Date, Executive may serve on the board of directors of another entity with the Board's prior written consent, which consent will not be unreasonably withheld.
4. **At-Will Nature of Employment.** Executive's employment under this Agreement will be "at will" and therefore may be terminated by either party at any time in accordance with Sections 7 and 8, below.
5. **Compensation.**
  - (a) **Base Salary.** The Company will provide Executive with an annual base salary of no less than \$1,100,000, paid in accordance with the Company's normal payroll policies (as adjusted from time to time, the "Base Salary").
  - (b) **Signing Bonus.** The Company will pay Executive a signing bonus of \$150,000 (the "Signing Bonus") on the first regularly scheduled salaried employee payroll that occurs after the Effective Date. Executive agrees to repay the portion of the Signing Bonus specified below if, within two (2) years following the Effective Date, he resigns from employment without Good Reason or if his employment is terminated for Cause. If such resignation or termination occurs during Executive's first year of employment, 100% of the Signing Bonus will be due to the Company. If such resignation or termination occurs during Executive's second year of employment, the fraction

of the Signing Bonus due to the Company will be (i) 24 minus the number of full months the Executive was employed by the Company, divided by (ii) 24. In either case, the amount to be repaid will be determined based on the gross amount of the Signing Bonus before taxes, and will be due to the Company in a lump sum within 30 days of Executive's termination date.

(c) **Annual Bonus Opportunity.** For each fiscal year of the Company ending during his employment, Executive will have a reasonable opportunity to earn an annual cash bonus of 150% of Base Salary (as adjusted from time to time, the "Target Amount") based on the achievement of one or more targets set by the Board or its Compensation Committee.

(d) **Equity Awards.** As an inducement for Executive to enter into this Agreement and accept employment with the Company, Executive will be granted the following equity awards on the Effective Date:

(i) equity awards with respect to a number of shares of the Company's common stock determined by dividing \$6,000,000 by the closing price of the Company's common stock on the Effective Date (the "Make Whole Award"); and

(ii) equity awards with respect to a number of shares of the Company's common stock determined by dividing \$4,500,000 by the closing price of the Company's common stock on the Effective Date (the "2019 Annual Award" and collectively with the Make Whole Award, the "Initial Equity Awards")

The Initial Equity Awards will consist of 50% time-vested restricted stock and 50% performance-based restricted stock, on terms substantially similar to the annual equity awards issued to the Company's other named executive officers; provided that, in the discretion of the Company, the Initial Equity Awards may either be issued under the Company's Amended and Restated 2011 Incentive Plan or may be issued as non-plan inducement awards as described in NYSE Listing Rule 303A.08. The performance goals applicable to the performance-based portion of the Initial Equity Awards will be substantially the same as, and will be established at the same time as, the performance goals applicable to the performance-based portion of the 2019 annual equity awards issued to the Company's other named executive officers.

(e) **Future Compensation Adjustments.** At or about the same time that compensation adjustments are considered for senior executives generally (and, in any case, not less frequently than annually), the Board or its Compensation Committee will review and may increase Executive's Base Salary and will consider the issuance to Executive of additional long term incentive awards.

## 6. **Benefits.**

(a) **Benefits.** Executive will be entitled to all benefits, including, but not limited to, insurance programs, vacation, sick leave and 401(k) benefits, as afforded other management personnel or as determined by the Board or its Compensation Committee.

(b) **Relocation Benefits.** Executive will be expected to relocate to the Dallas/Ft. Worth metropolitan area within a reasonable time following the Effective Date and will receive one-time relocation benefits in accordance with the Company's relocation policies as then in effect.

(c) **Expenses.** The Company will reimburse Executive for reasonable expenses incurred in the performance of his duties and services hereunder and in furtherance of the business of the Company, in accordance with the policies and procedures established by the Company. No expenses incurred after the cessation of Executive's employment shall be subject to reimbursement.

7. **Termination of Employment.** Upon termination of Executive's employment with the Company for any reason, unless otherwise requested by the Board, Executive will resign from all officer and director positions with the Company and its affiliates and subsidiaries. Executive's employment with the Company may be terminated as follows:

(a) **Death.** In the event of Executive's death, Executive's employment will be terminated immediately.

(b) **Disability.** In the event of Executive's Disability, as defined below, Executive's employment will be terminated immediately. "Disability" shall mean a written determination by a physician mutually agreeable to the Company and Executive (or, in the event of Executive's total physical or mental disability, Executive's legal representative) that Executive is physically or mentally unable to perform his duties under this Agreement and that such disability can reasonably be expected to continue for a period of six consecutive months or for shorter periods aggregating 180 days in any 12-month period. In addition, and without limiting the foregoing, a Disability shall be deemed to have occurred if and at such time as Executive becomes entitled to receive benefits under any long-term disability plan or policy maintained by the Company.

(c) **Termination by the Company for Cause.** The Company shall be entitled to terminate Executive's employment at any time if it has "Cause," which shall mean any of the following: (i) conviction of, or plea of nolo contendere to, a felony or any crime involving fraud or dishonesty; (ii) willful misconduct, whether or not in the course of service, that results (or that, if publicized, would be reasonably likely to result) in material and demonstrable damage to the business or reputation of the Company or any of its affiliates or subsidiaries; (iii) material breach by Executive of any agreement with, policy of or duty owed to the Company or any of its affiliates or subsidiaries; or (iv) willful refusal by Executive to perform his duties to the Company or the lawful direction of his or her supervisor that is not the result of a Disability; provided, however, an act or omission described in clause (iii) or (iv) will only constitute "Cause" if (A) it is not curable, in the good faith sole discretion of the Board or its delegate, or (B) it is curable in the good faith sole discretion of the Board or its delegate, but is not cured to the reasonable satisfaction of the Board or its delegate within 30 days following written notice thereof to Executive by the Company (such notice to state with specificity the nature of the breach or willful refusal).

(d) **Without Cause.** Either the Company or Executive may terminate Executive's employment at any time without cause upon written notice.

(e) **Termination by Executive with Good Reason.** Executive shall be entitled to terminate his employment within 12 months after any of the following events (each of which shall constitute “Good Reason”):

- (i) a material diminution in Executive’s Base Salary or the Target Amount of Executive’s annual bonus opportunity;
  - (ii) a material diminution in Executive’s authority, duties, or responsibilities;
  - (iii) any other material breach of this Agreement by the Company;
  - (iv) the Company relocates Executive’s principal worksite outside of the Dallas/Ft. Worth metropolitan area;
- or

(v) in the event of a sale of substantially all the business and assets of the Company, a failure of the Company to assign, or a refusal of the principal purchaser of assets to assume, the Company’s then continuing obligations under this Agreement.

Notwithstanding the foregoing, Executive shall notify Company in writing if he believes Good Reason exists. Such notice shall set forth in reasonable detail why Executive believes Good Reason exists and shall be provided to the Company within a period not to exceed 90 days of the initial existence of the condition alleged to give rise to Good Reason, upon the notice of which the Company shall have a period of 30 days during which it may remedy the condition.

8. **Compensation and Benefits Upon Termination.**

(a) If Executive’s employment is terminated by reason of death or Disability, the Company shall pay Executive’s Base Salary, at the rate then in effect, in accordance with the payroll policies of the Company, through the date of such termination (in the event of Executive’s death, the payments will be made to Executive’s beneficiaries or legal representatives) and Executive shall not be entitled to any further Base Salary or any applicable bonus, benefits or other compensation for that year or any future year, except as may be provided in Sections 8(d) or (e) below or an applicable benefit plan or program, or to any severance compensation of any kind, nature or amount.

(b) If Executive’s employment is terminated by Executive without Good Reason; or by the Company for Cause, the Company will pay to Executive all Base Salary, at the rate then in effect, through the date of Executive’s termination of active employment and Executive shall not be entitled to any further Base Salary or any applicable bonus, benefits or other compensation for that year or any future year, except as may be provided in an applicable benefit plan or program, or to any severance compensation of any kind, nature or amount.

(c) If Executive terminates his employment for Good Reason or the Company terminates Executive’s employment without Cause, the Company will pay to Executive all amounts otherwise payable under this Agreement, at the rate then in effect, through the date of Executive’s termination, and the following paragraphs shall apply:

(i) *Severance and Payment Form.* The Company will pay severance to Executive equal to (A) two, multiplied by (B) the sum of (1) Base Salary, plus (2) the Target Amount. Such amount will be paid to Executive in a lump sum. The foregoing notwithstanding, if such termination occurs within 18 months following a “change in control event” (as defined in Treas. Reg. § 1.409A-3(i)(5)(i) or any successor provision), then the word “two” in Section 8(c)(i)(A) will be replaced with “three.”

(ii) *Medical Benefits.* Upon Executive’s termination, Executive will be eligible to elect individual and dependent continuation group health and (if applicable) dental coverage, as provided under Section 4980B(f) of the Internal Revenue Code (“COBRA”), for the maximum COBRA coverage period available, subject to all conditions and limitations (including payment of premiums and cancellation of coverage upon obtaining duplicate coverage or Medicare entitlement). If Executive or one or more of Executive’s covered dependents is eligible for and elects COBRA coverage, then the Company shall pay the full cost of the COBRA coverage for the 18 month period following Executive’s termination date. Executive (or dependents, as applicable) shall be responsible for paying the full cost of the COBRA coverage (including the two percentage administrative charge) after the earlier of (A) the expiration of 18 months following Executive’s termination date, or (B) eligibility for coverage under another employer’s medical plan.

(iii) *Vacation.* Executive shall be entitled to a payment attributable to Base Salary, at the rate then in effect, for accrued but unused vacation.

(iv) *Service-Based Vesting Conditions.* All service-based vesting conditions applicable to equity awards held by Executive immediately prior to such termination will then be deemed satisfied (to the extent not already satisfied).

(v) *Performance-Based Equity Awards.* With respect to each performance-vested equity award held by Executive immediately prior to such termination and for which the performance period is not then complete, such award will remain outstanding and will vest, if at all, based on actual performance through the end of the applicable performance period.

(d) If Executive’s employment ceases due to his death:

(i) all service-based vesting conditions applicable to equity awards held by Executive immediately prior to such cessation will then be deemed satisfied (to the extent not already satisfied);

(ii) with respect to each performance-vested equity award held by Executive immediately prior to such cessation and for which the performance period is not then complete, such award will then vest at the target level; and

(iii) the post-termination exercise period of all vested stock options held by Executive (determined after giving effect to Sections 8(d)(i) and (ii), above) will extend until the earliest of (A) one year following the cessation of employment, (B) the expiration

of the full option term, or (C) any accelerated expiration date contemplated by the applicable equity plan or award agreement (such as in connection with a change in control).

(e) If Executive's employment is terminated by the Company due to a Disability:

(i) all service-based vesting conditions applicable to equity awards held by Executive immediately prior to such termination will then be deemed satisfied (to the extent not already satisfied).

(ii) with respect to each performance-vested equity award held by Executive immediately prior to such termination and for which the performance period is not then complete, such award will remain outstanding and will vest, if at all, based on actual performance through the end of the applicable performance period; and

(iii) the post-termination exercise period of all vested stock options held by Executive (determined after giving effect to Sections 8(e)(i) and (ii), above) will extend until the earliest of (A) one year following the termination of employment, (B) the expiration of the full option term, or (C) any accelerated expiration date contemplated by the applicable equity plan or award agreement (such as in connection with a change in control or in the event of prohibited competition).

(f) Notwithstanding anything to the contrary contained herein, if any amount payable to Executive by the Company or any of its affiliates (whether under the Agreement or otherwise) (i) constitutes a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code (the "Code"), and (ii) but for this Section, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such payment(s) shall be either (A) delivered in full, or (B) delivered to such lesser extent as would result in no portion of such payment(s) benefits being subject to the Excise Tax, whichever of the foregoing amounts (taking into account applicable federal, state and local income taxes and the Excise Tax) results in the receipt by Executive of the greatest amount on an after-tax basis. To the extent a reduction in payments is required, later payments will be reduced before otherwise equal earlier payments.

9. **Release.** The payments, rights and benefits described in Sections 8(c) and (e) are conditioned on Executive's execution and delivery to the Company of a general release of claims against the Company and its affiliates in such form as the Company may reasonably require (the "Release") and on such Release becoming irrevocable within 60 days following Executive's termination of employment. Subject to Section 10, the payments described in Sections 8(c)(i) and (iii) will be paid or commence to be paid as soon as practicable after the Release becomes irrevocable, provided, however, that if the 60 day period following Executive's termination of employment spans two calendar years, then such payments will be paid or commence to be paid on the later of such Release becoming irrevocable or the start of that second calendar year.

10. **Compliance with Code Section 409A.**

(a) All provisions of this Agreement shall be interpreted in a manner consistent with Code Section 409A and the regulations and other guidance promulgated thereunder. Notwithstanding the preceding, the Company makes no representations concerning the tax

consequences of Executive's participation in this Agreement under Code Section 409A or any other federal, state or local tax law. Executive's tax consequences will depend, in part, upon the application of relevant tax law, including Code Section 409A, to the relevant facts and circumstances.

(b) Notwithstanding any provision herein to the contrary, in the event that Executive is determined to be a specified employee within the meaning of Code Section 409A under the default provisions established thereunder, for purposes of any payment on termination of employment under this Agreement, payment(s) shall be made or begin, as applicable, on the first payroll date which is more than six months following the date of separation from service (or, if earlier, upon Executive's death), to the extent required to avoid any adverse tax consequences under Code Section 409A. This paragraph should not be construed to prevent the application of Treas. Reg. §§ 1.409A-1(b)(4) or -1(b)(9)(iii)(or any successor provisions) to amounts payable hereunder.

11. **Confidentiality/Settlement of Existing Rights.**

(a) In order to induce Executive to enter into this Agreement, and in order to enable Executive to provide services on behalf of the Company, the Company will provide Executive with access to certain trade secrets and confidential or proprietary information belonging to the Company, which may include, but is not limited to, the identities, customs, and preferences of the Company's existing and prospective clients, customers, tenants or vendors; the identities and skills of the Company's employees; the Company's methods, procedures, analytical techniques, and models used in providing products and services, and in pricing or estimating the cost of such products and services; the Company's financial data, business and marketing plans, projections and strategies; customer lists and data; tenant lists and data, vendor lists and data; training manuals, policy manuals, and quality control manuals; software programs and information systems; and other information relating to the development, marketing, and provision of the Company's products, services, and systems (i.e., "Confidential Information"). Executive acknowledges that this Confidential Information constitutes valuable, special and unique property of the Company.

(b) Executive agrees that, except as may be necessary in the ordinary course of performing his duties under this Agreement, Executive shall not, without prior express written consent of the Company (i) use such Confidential Information for Executive's own benefit or for the benefit of another; or (ii) disclose, directly or indirectly, such Confidential Information to any person, firm, corporation, partnership, association, or other entity (except for authorized personnel of the Company) at any time prior or subsequent to the termination or expiration of this Agreement.

(c) By this Agreement, the Company is providing Executive with rights that Executive did not previously have. In exchange for the foregoing and the additional terms agreed to in this Agreement, Executive agrees that all Confidential Information learned or developed by Executive during past employment with the Company and all goodwill developed with the Company's clients, customers and other business contacts by Executive during past employment with the Company is now the exclusive property of the Company, and will be used only for the benefit of the Company, whether previously so agreed or not. Executive expressly waives and releases any claim or allegation that he should be able to use client and customer goodwill, specialized Company training, or Confidential Information, that was previously received or developed by Executive while working for the Company for the benefit of any competing person or entity.

12. **Return of Company Property.** Executive acknowledges that all memoranda, notes, correspondence, databases, discs, records, reports, manuals, books, papers, letters, CD Roms, keys, passwords and access codes, client/customer/vendor/supplier profile data, contracts, orders, and lists, software programs, information and records, and other documentation (whether in draft or final form) relating to the Company's business, and any and all other documents containing Confidential Information furnished to Executive by any representative of the Company or otherwise acquired or developed by him in connection with his association with the Company (collectively, "**Recipient Materials**") shall at all times be the property of the Company. Within twenty-four (24) hours of the termination of his relationship with the Company, Executive promises to return to the Company any Recipient Materials that are in his possession, custody or control, regardless of whether such Materials are located in Executive's office, automobile, or home or on Executive's business or personal computers. Executive also shall authorize and permit the Company to inspect all computer drives used or maintained by Executive during his employment or consulting at the Company and, if necessary, to permit the Company to delete any Recipient Materials or Proprietary Information contained on such drives.

13. **Protective Covenants.** Executive agrees that the following covenants are reasonable and necessary agreements for the protection of the business interests covered in the fully enforceable, ancillary agreements set forth in this Agreement:

(a) **Definitions.** "**Competing Business**" means any person or entity that provides services or products that would compete with or displace any services or products sold or being developed for sale by the Company during Executive's employment, or engages in any other activities so similar in nature or purpose to those of the Company that they would displace business opportunities or customers of the Company, including, without limitation, Best Buy Co., Inc., Wal-Mart Stores, Inc., Amazon.com, Inc. and Target Corporation and any of their respective subsidiaries.

(b) **Recordkeeping and Handling of Covered Items.** Executive agrees to keep and maintain current written records of all customer contacts, inventions, enhancement, and plans he develops regarding matters that are within the scope of the Company's business operations or that relate to research and development on behalf of the Company, and agrees to maintain any records necessary to inform the Company of such business opportunities. All Company Information and other Company documents and materials maintained or entrusted to Executive shall remain the exclusive property of the Company at all times; such materials shall, together with all copies thereof, be returned and delivered to the Company by Executive immediately without demand, upon termination of Executive's relationship with the Company, and shall be returned at a prior time if the Company so demands.

(c) **No Interference with Employee/Independent Contractor Relationships.** Executive agrees that until two years after Executive's employment with the Company ceases, Executive will not, either directly or indirectly, participate in recruiting or hiring away any employees or independent contractors of the Company, or encourage or induce any employees, agents, independent contractors or investors of the Company to terminate their relationship with the Company, unless given the prior written consent of the Board to do so.

(d) **No Interference with Client/Customer Relationships.** Executive agrees that until two years after Executive's employment with the Company ceases, Executive will not induce or attempt to induce any client or customer of the Company to diminish, curtail, divert, or cancel its business relationship with the Company. The restrictions set forth in this paragraph shall apply worldwide, which the Parties stipulate is a reasonable geographic area because of the scope of the Company's operations and Executive's activities.

(e) **No Unfair Competition.** Executive agrees that until two years after Executive's employment with the Company ceases, Executive will not participate in, work for, or assist a Competing Business in any capacity (as owner, employee, consultant, contractor, officer, director, lender, investor, agent, or otherwise), unless given the prior written consent of the Board to do so. The restrictions set forth in this paragraph shall apply worldwide, which the Parties stipulate is a reasonable geographic area because of the scope of the Company's operations and Executive's activities. This paragraph creates a narrowly tailored advance approval requirement in order to avoid unfair competition and irreparable harm to the Company and is not intended or to be construed as a general restraint from engaging in a lawful profession or a general covenant against competition, and is ancillary to the Company's agreement contained herein to employ Executive hereunder. Nothing herein will prohibit ownership of less than 5% of the publicly traded capital stock of a corporation so long as this is not a controlling interest, or ownership of mutual fund investments. Executive acknowledges and agrees that this subsection (e) is reasonable and necessary to protect the trade secrets, confidential information and goodwill of the Company.

(f) **Remedies.** In the event of breach or threatened breach by Executive of any provision of Section 13 hereof, the Company shall be entitled to (i) injunctive relief by temporary restraining order, temporary injunction, and/or permanent injunction; (ii) recovery of all attorneys' fees and costs incurred by the Company in obtaining such relief; and (iii) any other legal and equitable relief to which may be entitled, including, without limitation, any and all monetary damages that the Company may incur as a result of said breach or threatened breach, in each case without the necessity of posting any bond. The Company may pursue any remedy available, including declaratory relief, concurrently or consecutively in any order as to any breach, violation, or threatened breach or violation, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

(g) **Early Resolution Conference.** This Agreement is understood to be clear and enforceable as written and is executed by both Parties on that basis. However, should Executive later challenge any provision as unclear, unenforceable or inapplicable to any competitive activity that Executive intends to engage in, Executive will first notify the Company in writing and meet with a Company representative and a neutral mediator (if the Company elects to retain one at its expense) to discuss resolution of any disputes between the Parties. Executive will provide this notification at least fourteen (14) days before Executive engages in any activity on behalf of a Competing Business or engages in other activity that could foreseeably fall within a questioned restriction. The failure to comply with this requirement shall waive Executive's right to challenge the reasonable scope, clarity, applicability, or enforceability of the Agreement and its restrictions at a later time. All rights of both Parties will be preserved if the Early Resolution Conference requirement is complied with even if no agreement is reached in the conference.

14. **Assignment.** The Company may assign this Agreement to any successor to all or substantially all of its assets, and in that case, a transfer of Executive's employment to the successor assuming this Agreement will not constitute a termination without Cause by the Company, whether or not Executive accepts such transfer. Executive's obligations under this Agreement are personal in nature and may not be assigned by Executive to another person.
15. **Notices.** All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be deemed to have been delivered on the date personally delivered or on the date deposited in a receptacle maintained by the United States Postal Service for such purpose, postage prepaid, by certified mail, return receipt requested, or by express mail or overnight courier, addressed to: (a) in the case of Executive, to his or her most recent address contained in the Company's personnel files, or (b) in the case of the Company, to its headquarters location, c/o its General Counsel. Either party may designate a different address by providing written notice of a new address to the other party.
16. **Severability.** If any provision contained in this Agreement is determined to be void, illegal or unenforceable by a court of competent jurisdiction, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision that was determined to be void, illegal, or unenforceable had not been contained herein. In making any such determination, the determining court shall deem any such provision to be modified so as to give it the maximum effect permitted by applicable law.
17. **Waiver, Construction and Modification.** The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. This Agreement may not be modified, altered or amended except by written agreement of all the Parties hereto.
18. **Governing Law and Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to the conflict of law principles thereof. Any disputes or claims arising out of or relating to this Agreement shall be resolved exclusively pursuant to the GameStop CARES Rules of Dispute Resolution Including Arbitration. As provided in the GameStop CARES Rules of Dispute Resolution Including Arbitration, either party may seek temporary or immediate injunctive relief in aid of arbitration, to maintain the status quo pending arbitration, or to prevent violation of the provisions of this Agreement concerning non-competition, non-solicitation, or the use or disclosure of trade secrets or confidential information. Executive hereby irrevocably submits to the exclusive jurisdiction of any Texas State or United States Federal Court sitting in Tarrant County, Texas with respect to such proceedings in aid of arbitration or to enforce any award, judgment, or order of the arbitrator with respect to any controversy arising out of this Agreement. Executive hereby waives any right to a trial by jury in any legal proceeding related in any way to this Agreement.
19. **Representation of Executive.** Executive hereby represents and warrants to the Company that Executive has not previously assumed any obligations that would prevent him from accepting, retaining and/or engaging in full employment with the Company, or which Executive could violate in the ordinary course of his duties for the Company. Further, Executive hereby represents and warrants to the Company that Executive has not previously assumed any obligations that are

inconsistent with those contained in this Agreement, and that he will not use, disclose, or otherwise rely upon any confidential information or trade secrets derived from any previous employment, if Executive has any, in the performance of his duties on behalf of the Company. Further, Executive acknowledges that he has read and is fully familiar with the terms of this Agreement, has had a reasonable opportunity to consider this Agreement and to seek legal counsel, and after such review, Executive stipulates that the promises made by him in this Agreement are not greater than necessary for the protection of the Company's good will and other legitimate business interests and do not create undue hardship for Executive or the public. Finally, Executive represents and warrants that all information provided to the Company or its agents during the interview and hiring process is true and accurate in all respects.

20. **Withholding Taxes.** The Company may withhold from any and all amounts payable to Executive such federal, state, local and any other applicable taxes as the Company determines in its sole discretion are required to be withheld pursuant to any applicable law or regulation.

21. **Complete Agreement.** This Agreement contains the complete agreement and understanding concerning the employment arrangement between the Parties and will supersede all other agreements, understandings or commitments between the Parties as to such subject matter. However, for avoidance of doubt, each equity award issued by the Company is subject to the terms of any plan under which it was issued (each, as amended from time to time, an "Applicable Plan") and, in the event of any conflict between this Agreement and an Applicable Plan, the Applicable Plan will govern. The Parties agree that neither of them has made any representations concerning the subject matter of this Agreement except such representations as are specifically set forth herein.

22. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Company, its successors, legal representatives and assigns, and upon Executive, his heirs, executors, administrators and representatives.

23. **Captions.** The Section and other headings used in this Agreement are for the convenience of the Parties only, are not substantive and shall not affect the meaning or interpretation of any provision of this Agreement.

24. **Counterparts.** This Agreement may be signed in counterparts, which together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties agree to each of the foregoing terms on the first date above written.

GEORGE SHERMAN

/s/ George Sherman

GAMESTOP CORP.

By: /s/ Daniel J. Kaufman

Name: Daniel J. Kaufman

Title: EVP, Chief Legal and Administrative Officer



## GameStop Names George Sherman Chief Executive Officer

*Retail Industry Veteran to Lead Next Phase of GameStop's Evolution*

**Grapevine, TX (March 21, 2019)**—**GameStop Corp. (NYSE: GME)** today announced that its Board of Directors has appointed George Sherman as chief executive officer and member of the board of directors, effective April 15, 2019. Mr. Sherman succeeds Shane Kim, who has served as interim Chief Executive Officer since May 2018 and as a director since July 2011. Most recently, Sherman served as chief executive officer of Victra, the largest exclusive authorized retailer for Verizon Wireless products and services.

“We are very excited to welcome George to the GameStop team. His extensive retail leadership at several top brands including Advance Auto Parts, Best Buy, Target Corporation and Home Depot positions him as the right choice to lead GameStop for the years ahead,” said Dan DeMatteo, GameStop’s executive chairman. “Having recently conducted a thorough review of strategic and financial alternatives, we are at a critical juncture in GameStop’s evolution and, with George’s hiring and his proven experience, we are ready to move forward. While the board recently announced the initial steps of our go-forward capital allocation and shareholder return program, we look forward to supporting George as we accelerate the next steps in that plan, which include several exciting initiatives that have been in development and have the potential to improve the financial performance and profitability of our company. As George and our talented team finalize the blueprint for GameStop, we will continue to leverage our leadership position in the video game industry to discover new ways to support our loyal customers, while attracting new customers and serving their entertainment needs.”

Sherman added, “I am honored to have the opportunity to lead GameStop, one of the leading and most recognized brands in the video game industry. I bring significant experience working with other retailers that have undergone large, successful transformations and look forward to leveraging GameStop’s industry position, history and brand. The team has already done extensive strategic work to identify and pursue new customer-centric opportunities that will further expand the culture of gaming in new and exciting ways. I look forward to leading our associates and believe that we have a tremendous opportunity in front of us to continue to fuel the passion of gamers around the world.”

In addition to being chief executive officer at Victra, Mr. Sherman also served as president and interim chief executive officer for Advance Auto Parts where he was responsible for more than 4,000 stores, merchandising, marketing, information technology, supply chain and commercial sales. As president of Best Buy Services, he led consumer services, small- and medium-business capabilities, channel partnerships and Best Buy for Business. Prior to Best Buy, Sherman ran the operations and home services divisions of Home Depot and spent 14 years with the Target Corporation in various leadership positions.

Sherman received his Master’s Degree from Central Michigan University and served as an Air Force officer for nearly seven years. He is an active community volunteer with veteran’s causes.

### **About GameStop**

GameStop Corp., a Fortune 500 company headquartered in Grapevine, Texas, is a global, multichannel video game and consumer electronics retailer. GameStop operates over 5,800 stores across 14 countries. The company’s consumer product network also includes [www.gamestop.com](http://www.gamestop.com); Game Informer® magazine, the world’s leading print and digital video game publication; ThinkGeek, [www.thinkgeek.com](http://www.thinkgeek.com), the premier retailer for the global geek community featuring exclusive and unique video game and pop culture products; and Simply Mac, which sells the full line of Apple products, including laptops, tablets, and smartphones and offers Apple certified warranty and repair services.

General information about GameStop Corp. can be obtained at the company’s corporate website. Follow @GameStop and @GameStopCorp on Twitter and find GameStop on Facebook at [www.facebook.com/GameStop](http://www.facebook.com/GameStop).

### **Safe Harbor**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current beliefs, views, estimates and expectations, including as to the Company's industry, business strategy, goals and expectations concerning its market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. Such statements include without limitation those about the Company's expectations for fiscal 2018 and 2019, future financial and operating results, projections, expectations and other statements that are not historical facts. All statements regarding the Board's review of strategic and financial alternatives and expected costs and benefits, including whether operating, strategic, financial and structural alternatives could unlock value, are forward-looking statements. Forward-looking statements are subject to significant risks and uncertainties and actual developments, business decisions and results may differ materially from those reflected or described in the forward-looking statements. The following factors, among others, could cause actual results to differ from those reflected or described in the forward-looking statements: the uncertain impact, effects and results of the board's review of operating, strategic, financial and structural alternatives and the planned redemption of the \$350 million in unsecured notes; volatility in capital and credit markets, including changes that reduce availability, and increase costs, of capital and credit; our inability to obtain sufficient quantities of product to meet consumer demand; the timing of release and consumer demand for new and pre-owned products; our ability to continue to expand, and successfully open and operate new stores for our collectibles business; risks associated with achievement of anticipated financial and operating results from acquisitions; our ability to sustain and grow our console digital video game sales; the impact of goodwill and intangible asset impairments; cost reduction initiatives, including store closing costs; risks related to changes in, and our continued retention of, executive officers and other key personnel; changes in consumer preferences and economic conditions; increased operating costs, including wages; cyber security events and related costs; risks associated with international operations; increased competition and changing technology in the video game industry; changes in domestic or foreign laws and regulations that reduce consumer demand for, or increase prices of, our products or otherwise adversely affect our business; our effective tax rate and the factors affecting our effective tax rate, including changes in international, federal or state tax, trade and other laws and regulations; the costs and outcomes of legal proceedings and tax audits; our use of proceeds from the sale of our Spring Mobile business; and unexpected changes in the assumptions underlying our outlook for fiscal 2018 and fiscal 2019. Additional factors that could cause our results to differ materially from those reflected or described in the forward-looking statements can be found in GameStop's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 filed with the SEC and available at the SEC's Internet site at <http://www.sec.gov> or <http://investor.GameStop.com>. Forward-looking statements contained in this press release speak only as of the date of this release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

### **Contact**

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