SCHOLASTIC CORP
Form DEF 14A
August 07, 2014

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [_]

Check the appropriate box:

[_] Preliminary Proxy Statement
[_] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (as permitted by Rule 14a-6(e)(2))
[X] Definitive Proxy Statement
[_] Definitive Additional Materials
[_] Soliciting Material Pursuant to Section 240.14a -12

SCHOLASTIC CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)
Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[_] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[_] Fee paid previously with preliminary materials:

[_] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Scholastic 557 Broadway, New York, NY 10012-3999 (212) 343-6100
www.scholastic.com

SCHOLASTIC CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Holders of Class A Stock and Common Stock:

The Annual Meeting of Stockholders of Scholastic Corporation (the "Company") will be held at the Company's corporate headquarters located at 557 Broadway, New York, New York on Wednesday, September 24, 2014, at 9:00 a.m., local time, for the following purposes:

Matters to be voted upon by holders of the Class A Stock

1. Electing eight directors to the Board of Directors
2. An advisory vote to approve fiscal 2014 compensation awarded to Named Executive Officers
3. Approval of Amendment No. 2 to the Scholastic Corporation 2011 Stock Incentive Plan

Matters to be voted upon by holders of the Common Stock

1. Electing three directors to the Board of Directors

and such other business as may properly come before the meeting and any adjournments thereof.

A proxy statement describing the matters to be considered at the Annual Meeting of Stockholders is attached to this notice. Only stockholders of record of the Class A Stock and the Common Stock at the close of business on July 28, 2014 are entitled to notice of, and to vote at, the meeting and any adjournments thereof.

We hope that you will be able to attend the meeting. Whether or not you plan to be present at the meeting, we urge you to vote your shares promptly. You can vote your shares in three ways:

- **via the Internet at the website indicated on your proxy card;**
- **via telephone by calling the toll free number on your proxy card; or**
- **by returning the enclosed proxy card.**

By order of the Board of Directors

Andrew S. Hedden
Secretary
August 7, 2014

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Important Notice Regarding Availability of Proxy Materials
for the 2014 Annual Meeting of Stockholders to Be Held on September 24, 2014

This Proxy Statement and the Annual Report to Stockholders are available at
www.proxyvote.com

SCHOLASTIC CORPORATION

557 Broadway

New York, New York 10012-3999

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
September 24, 2014

SOLICITATION OF PROXIES

General Information

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Scholastic Corporation, a Delaware corporation (the "Company"), to be voted at its Annual Meeting of Stockholders (the "Annual Meeting"), which will be held at 557 Broadway, New York, New York at 9:00 a.m., local time, on Wednesday, September 24, 2014, and at any adjournments thereof.

The Company has made available to you over the Internet or delivered paper copies of this proxy statement, a proxy card and the Annual Report to Stockholders (of which the Company's 2014 Annual Report on Form 10-K is a part) in connection with the Annual Meeting. The Company is using the rules of the Securities and Exchange Commission ("SEC") that allow companies to furnish their proxy materials over the Internet. As a result, the Company is mailing to many of its stockholders a notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All stockholders receiving the notice will have the ability to access the proxy materials over the Internet, as well as to request a paper copy by mail, by following the instructions in the notice. In addition, the notice contains instructions for electing to receive proxy materials over the Internet or by mail in future years.

This proxy statement and the accompanying form of proxy, together with the Company's Annual Report to Stockholders, which includes the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2014 (the "Annual Report"), are being mailed to those stockholders who are not receiving the notice concerning Internet availability on or about August 7, 2014.

Shares represented by each proxy properly submitted, either by mail, the Internet or telephone as indicated on the enclosed form of proxy, will be voted in accordance with the instructions indicated on such proxy unless revoked. A stockholder may revoke a proxy at any time before it is exercised by:

- delivering to the Secretary of the Company a written revocation thereof or a duly executed proxy bearing a later date;
- providing subsequent telephone or Internet voting instructions; or
- voting in person at the Annual Meeting.

Any written notice revoking a proxy should be sent to the attention of Andrew S. Hedden, Corporate Secretary, Scholastic Corporation, 557 Broadway, New York, New York 10012-3999.

If you are a Common Stockholder of record submitting a proxy, and no instructions are specified, your shares will be voted FOR the election of the directors.

If you are a Common Stockholder and you hold your shares beneficially through a broker, bank or other holder of record submitting a proxy, and no instructions are specified, your shares will NOT be voted FOR the election of the directors.

If you are a Class A Stockholder submitting a proxy, and no instructions are specified, your shares will be voted FOR the election of the directors and for Proposals 2 and 3.

By submitting a proxy, you authorize the persons named as proxies to use their discretion in voting upon any other matter brought before the Annual Meeting. The Company does not know of any other business to be considered at the Annual Meeting.

SEC rules permit the Company to deliver only one copy of the proxy statement or the notice of Internet availability of the proxy statement to multiple stockholders of record who share the same address and have the same last name, unless the Company has received contrary instructions from one or more of such stockholders. This delivery method, called “householding,” reduces the Company’s printing and mailing costs. Stockholders who participate in householding will continue to receive or have Internet access to separate proxy cards.

If you are a stockholder of record and wish to receive a separate copy of the proxy statement, now or in the future, at the same address, or you are currently receiving multiple copies of the proxy statement at the same address and wish to receive a single copy, please write to or call the Corporate Secretary, Scholastic Corporation, 557 Broadway, New York, NY 10012, telephone: (212) 343-6100.

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Beneficial owners sharing an address who are currently receiving multiple copies of the proxy materials or notice of Internet availability of the proxy materials and wish to receive a single copy in the future, or who currently receive a single copy and wish to receive separate copies in the future, should contact their bank, broker or other holder of record to request that only a single copy or separate copies, as the case may be, be delivered to all stockholders at the shared address in the future.

The cost of soliciting proxies will be borne by the Company. Solicitation other than by mail may be made personally or by telephone, facsimile or e-mail by regularly employed officers and employees who will not be additionally compensated for such solicitation. The Company may also reimburse brokers, custodians, nominees and other fiduciaries for their reasonable expenses in forwarding proxy materials to principals.

Voting Securities of the Company

Only holders of record of the Company’s Class A Stock, $0.01 par value (“Class A Stock”), and Common Stock, $0.01 par value (“Common Stock”), at the close of business on July 28, 2014 (the “Record Date”) are entitled to vote at the Annual Meeting. As of the Record Date, there were 1,656,200 shares of Class A Stock and 30,628,220 shares of Common Stock outstanding.

The Amended and Restated Certificate of Incorporation of the Company (the “Certificate”) provides that, except as otherwise provided by law, the holders of shares of the Class A Stock (the “Class A Stockholders”), voting as a class, have the right to: (i) fix the size of the Board so long as it does not consist of less than three nor more than 15 directors; (ii) elect all the directors, subject to the right of the holders of shares of Common Stock, voting as a class, to elect such minimum number of the members of the Board as shall equal at least one-fifth of the members of the Board; and (iii) exercise, exclusive of the holders of shares of Common Stock, all other voting rights of stockholders of the Company. The Certificate also provides that, except as otherwise provided by law, the voting rights of the holders of shares of Common Stock are limited to the right, voting as a class, to elect such minimum number of the members of the Board as shall equal at least one-fifth of the members of the Board.

Each share of Class A Stock and Common Stock is entitled to one vote. No holders of either class of stock have cumulative voting rights. At the Annual Meeting, the Class A Stockholders will vote on the election of eight members of the Board and the holders of Common Stock will vote on the election of three members of the Board. The other proposals set forth in the notice attached to this proxy statement for consideration at the Annual Meeting will be voted on by the Class A Stockholders only. If any other matters were to properly come before the Annual Meeting, they would be voted on by the Class A Stockholders.

The vote required for the election of directors and in respect of the actions to be taken under Proposals 2 and 3 is specified in the description of each such proposal. In the election of directors, withheld votes and abstentions have no effect on the vote. Under the Company's Bylaws, for the purpose of determining whether a proposal has received the required vote, abstentions will not be considered as votes cast and will have no effect. Because none of the shares of Class A Stock are held by brokers, the effect of broker non-votes is not applicable in the case of the Class A Stock. Because the only proposal before Common Stockholders is the election of three directors, the effect of broker non-votes is not applicable in the case of the Common Stock.

Principal Holders of Class A Stock and Common Stock

The following table sets forth information regarding persons who, to the best of the Company's knowledge, beneficially owned five percent or more of the Class A Stock or the Common Stock outstanding on the Record Date. Under the applicable rules and regulations of the SEC, a person who directly or indirectly has, or shares, voting power or investment power with respect to a security is considered a beneficial owner of such security. Voting power is the power to vote or direct the voting of shares, and investment power is the power to dispose of or direct the disposition of shares. In computing the number of shares and percentage beneficially owned by any stockholder, shares of Class A Stock or Common Stock subject to options or restricted stock units ("RSUs") held by that person that are currently exercisable or vested or become exercisable or vested within 60 days of the Record Date are included. Such shares, however, are not deemed outstanding for purposes of computing the percentage owned by any other person.

Name and Address of Beneficial Owner	Class A Stock		Common Stock	
	Amount and Nature of Beneficial Ownership (1)	**Percent of Class**	**Amount and Nature of Beneficial Ownership (2)**	**Percent of Class**
Richard Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	3,155,200	100 %	6,341,572 (3)	18.5 %
Barbara Robinson Buckland c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,484,272	7.9 %
Mary Sue Robinson Morrill c/o Scholastic Corporation 557 Broadway New York, NY 10012	765,296	46.2 %	3,118,575 (4)	9.9 %
William W. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,585,265 (5)	8.3 %

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Name and Address of Beneficial Owner	Class A Stock Amount and Nature of Beneficial Ownership (1)	Percent of Class	Common Stock Amount and Nature of Beneficial Ownership (2)	Percent of Class
Florence Robinson Ford c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,473,457	7.9 %
Andrew S. Hedden c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,426,482 (6)	7.7 %
Trust under the Will of Maurice R. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,331,712	7.5 %
Trust under the Will of Florence L. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	116,676	7.0 %	466,676	1.5 %
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	—	—	1,781,808 (7)	5.2 %
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	—	—	2,309,713 (8)	7.6 %
Royce & Associates 745 Fifth Avenue New York, NY 10151	—	—	3,778,828 (9)	12.5 %
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	—	—	2,572,917 (10)	8.5 %
Fairpointe Capital LLC One North Franklin Ste. 3300 Chicago, IL 60606	—	—	2,918,411 (11)	9.1 %
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	—	—	1,531,275 (12)	5.0 %

(1)

Each of Richard Robinson, Barbara Robinson Buckland, Mary Sue Robinson Morrill, William W. Robinson, Florence Robinson Ford, Andrew S. Hedden and the Trust under the Will of Maurice R. Robinson (the “Maurice R. Robinson Trust”) have filed Statements on Schedule 13G with the SEC (the “13G Filings”) regarding beneficial ownership of Common Stock. Richard Robinson, Chairman of the Board, President and Chief Executive Officer of the Company, Barbara Robinson Buckland, Mary Sue Robinson Morrill, William W. Robinson and Florence Robinson Ford, all of whom are siblings of Richard Robinson, and Andrew S. Hedden, a director and executive officer of the Company, are trustees of the Maurice R. Robinson Trust, with shared voting and investment power with respect to the shares owned by the Maurice R. Robinson Trust. Under the terms of the Maurice R. Robinson Trust, the vote of a majority of the trustees is required to vote or direct the disposition of the shares held by the Maurice R. Robinson Trust. In addition, Richard Robinson and Mary Sue Robinson Morrill are the co-trustees of the Trust under the Will of Florence L. Robinson (the “Florence L. Robinson Trust”), with shared voting and investment

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power with respect to the shares owned by the Florence L. Robinson Trust. Any acts by the Florence L. Robinson Trust require the approval of each trustee. Each such trust directly owns the shares attributed to it in the table and each person listed herein as a trustee of such trust is deemed to be the beneficial owner of the shares directly owned by such trust. Based on their 13G Filings and subsequent information made available to the Company, the aggregate beneficial ownership of the Class A Stock on the Record Date by the following persons was: Richard Robinson—2,389,904 shares (sole voting and investment power), which includes 1,499,000 shares issuable under options to purchase Class A Stock ("Class A Options") exercisable by Mr. Robinson within 60 days of the Record Date, and 765,296 shares (shared voting and investment power); Barbara Robinson Buckland—648,620 shares (shared voting and investment power); Mary Sue Robinson Morrill—765,296 shares (shared voting and investment power); William W. Robinson—648,620 shares (shared voting and investment power); Florence Robinson Ford—648,620 shares (shared voting and investment power); Andrew S. Hedden-648,620 shares (shared voting and investment power); Maurice R. Robinson Trust—648,620 shares (sole voting and investment power); and Florence L. Robinson Trust—116,676 shares (sole voting and investment power).

(2) The shares of Class A Stock are convertible at the option of the holder into shares of Common Stock at any time on a share-for-share basis. The number of shares of Common Stock and percentage of the outstanding shares of Common Stock for each beneficial owner of Class A Stock assumes the conversion of such holder's shares of Class A Stock (including the 1,499,000 shares issuable under the Class A Options exercisable within 60 days of the Record Date, in the case of Mr. Robinson) into shares of Common Stock. Based on their 13G Filings and subsequent information made available to the Company, the aggregate beneficial ownership of Common Stock on the Record Date by the following holders was: Richard Robinson—3,543,184 shares (sole voting and investment power), which includes the 1,499,000 shares under the Class A Options exercisable within 60 days of the Record Date held by Mr. Robinson, and 2,798,388 shares (shared voting and investment power); Barbara Robinson Buckland—152,560 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Mary Sue Robinson Morrill — 3,118,575 shares (shared voting and investment power); William W. Robinson—205,045 shares (sole voting and investment power) and 2,380,220 shares (shared voting and investment power); Florence Robinson Ford—141,745 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Andrew S. Hedden—94,770 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Maurice R. Robinson Trust—2,331,712 shares (sole voting and investment power); and Florence L. Robinson Trust—466,676 shares (sole voting and investment power).

(3) Includes 3,155,200 shares of Common Stock issuable on conversion of the Class A Stock (including the 1,499,000 shares issuable under the Class A Options) described in Notes 1 and 2 above; 633,898 shares of Common Stock held directly by Mr. Robinson; 300,000 shares of Common Stock under options exercisable by Mr. Robinson within 60 days of the Record Date under the Scholastic Corporation 2011 Stock Incentive Plan ("the 2011 Plan"), 112,086 shares of Common Stock under options exercisable by Mr. Robinson within 60 days of the Record Date under the Scholastic Corporation 2001 Stock Incentive Plan ("the 2001 Plan"); 10,101 shares of Common Stock with respect to which Mr. Robinson had voting rights on the Record Date under the Scholastic Corporation 401(k) Savings and Retirement Plan (the "401(k) Plan"); 1,683,092 shares of Common Stock owned by the Maurice R. Robinson Trust; 350,000 shares of Common Stock owned by the Florence L. Robinson Trust; 47,088 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for his two sons; 15,918 RSUs scheduled to vest within 60 days of the Record Date under the Scholastic Corporation Management Stock Purchase Plan (the "MSPP") and 34,191 shares of Common Stock owned by the Richard Robinson Charitable Fund. Does not include an additional 44,247 unvested RSUs under the MSPP. The 633,898 shares held directly by Mr. Robinson are pledged to a bank as collateral for a personal loan.

(4) Does not include an aggregate of 300,935 shares of Common Stock held under Trusts for which Ms. Morrill's spouse is the trustee and 2,350 shares held by her daughter-in-law, as to which Ms. Morrill disclaims beneficial ownership.

(5)

Does not include 16,550 shares of Common Stock held under trusts for which Mr. William Robinson's spouse is a trustee and 64,728 shares held directly by his spouse, as to which Mr. Robinson disclaims beneficial ownership.

(6) Includes 2,000 shares of Common Stock held directly by Mr. Hedden; 13,316 shares under options exercisable within 60 days of the Record Date under the 2011 Plan; 75,000 shares under options exercisable within 60 days of the Record Date under the 2001 Plan; 1,250 RSUs scheduled to vest within 60 days of the

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Record Date under the 2001 Plan; 870 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan; 2,334 RSUs scheduled to vest within 60 days of the Record Date under the MSPP; 648,620 shares of Common Stock issuable on conversion of the Class A Stock owned by the Maurice Robinson Trust; and 1,683,092 shares of Common Stock owned by the Maurice R. Robinson Trust. Does not include 15,965 unvested RSUs under the MSPP and 6,336 unvested RSUs under the 2011 Plan.

(7) The information for T. Rowe Price Associates, Inc. ("Price Associates") is derived from a Schedule 13G Amendment, dated February 1, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. These shares are owned by various individual and institutional investors, as to which Price Associates serves as investment adviser with the sole power to direct investments with regard to all such shares and the sole power to vote 273,543 of such shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Price Associates is deemed to be a beneficial owner of these shares; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such shares.

(8) The information for Blackrock, Inc. ("Blackrock") is derived from a Schedule 13G Amendment, dated January 17, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. Blackrock has the sole power to direct investments with regard to all such shares and the sole power to vote 2,209,908 of such shares. Accordingly, for purposes of the reporting requirements of the Exchange Act, Blackrock is deemed to be a beneficial owner of these shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds of the sale of, these shares.

(9) The information for Royce & Associates LLC ("Royce") is derived from a Schedule 13G Amendment, dated January 14, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. Royce has the sole power to vote and direct investments with regard to all such shares. Accordingly, for purposes of the reporting requirements of the Exchange Act, Royce is deemed to be a beneficial owner of these shares. Various accounts managed by Royce have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, these shares.

(10) The information for Dimensional Fund Advisors LP ("Dimensional Fund") is derived from a Schedule 13G Amendment, dated February 10, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. Dimensional Fund serves as investment adviser to certain investment companies and as investment manager to certain other commingled group trusts and separate accounts (collectively, the "Funds"). In certain cases, subsidiaries of Dimensional Fund may act as an advisor or subadvisor to certain funds. The Funds own these shares, and in its role as investment advisor, subadvisor and/or manager, Dimensional Fund has the sole power to direct investments with regard to all such shares and the sole power to vote 2,549,491 of such shares. The funds have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares held in their respective accounts. For purposes of the reporting requirements of the Exchange Act, Dimensional Fund is deemed to be a beneficial owner of these shares; however, Dimensional Fund expressly disclaims that it is, in fact, the beneficial owner of such shares.

(11) The information for Fairpointe Capital LLC ("Fairpointe") is derived from a Schedule 13G Amendment, dated February 7, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. Fairpointe has the sole power to vote with regard to 2,794,393 of such shares, the sole power to direct investments with regard to 2,841,861 of such shares and the shared power to direct investments with regard to 76,550 of such shares. Accordingly, for purposes of the reporting requirements of the Exchange Act, Fairpointe is deemed to be a beneficial owner of these shares.

(12) The information for The Vanguard Group ("Vanguard") is derived from a Schedule 13G, dated February 11, 2014, filed with the SEC reporting beneficial ownership as of December 31, 2013. Vanguard has the sole power to vote or direct investments with regard to 1,495,984 of such shares and the shared power to vote or direct investments with regard to 35,291 of such shares. Accordingly, for purposes of the reporting requirements of the Exchange Act,

Vanguard is deemed to be a beneficial owner of these shares.

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Change of Control Arrangement for Certain Class A Stockholders

Pursuant to an agreement dated July 23, 1990 between the Maurice R. Robinson Trust and Richard Robinson, the Maurice R. Robinson Trust has agreed that if it receives an offer from any person to purchase any or all of the shares of Class A Stock owned by the Maurice R. Robinson Trust and it desires to accept such offer, Richard Robinson will have the right of first refusal to purchase all, but not less than all, of the shares of Class A Stock that such person has offered to purchase for the same price and on the same terms and conditions offered by such person. In the event Richard Robinson does not elect to exercise such option, the Maurice R. Robinson Trust shall be free to sell such shares of Class A Stock in accordance with the offer it has received. In addition, if Richard Robinson receives an offer from any person to purchase any or all of his shares of Class A Stock and the result of that sale would be to transfer to any person other than Richard Robinson or his heirs voting power sufficient to enable such other person to elect the majority of the Board, either alone or in concert with any person other than Richard Robinson, his heirs or the Maurice R. Robinson Trust (a "Control Offer"), and Mr. Robinson desires to accept the Control Offer, the Maurice R. Robinson Trust will have the option to sell any or all of its shares of Class A Stock to the person making the Control Offer at the price and on the terms and conditions set forth in the Control Offer. If the Maurice R. Robinson Trust does not exercise its option, Mr. Robinson will be free to accept the Control Offer and to sell his shares of Class A Stock in accordance with the terms of the Control Offer. If the Maurice R. Robinson Trust exercises its option, Mr. Robinson cannot accept the Control Offer unless the person making the Control Offer purchases the shares of Class A Stock that the Maurice R. Robinson Trust has elected to sell.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires directors, executive officers and persons who are the beneficial owners of more than 10% of the Common Stock to file reports of their ownership and changes in ownership of the Company's equity securities with the SEC. The reporting persons are required by SEC regulation to furnish the Company with copies of all Section 16 reports they file. Based on a review of the copies of such forms furnished to the Company and other written representations that no other reports were required during the fiscal year ended May 31, 2014, the Company believes all of its directors, executive officers and greater than ten percent beneficial owners timely filed all Section 16(a) reports required during such fiscal year.

Share Ownership of Management

On the Record Date, each director, director nominee and Named Executive Officer reported under the caption "Executive Compensation" and all directors and executive officers as a group beneficially owned shares of the Class A Stock and Common Stock as set forth in the table below. In computing the number of shares and percentage beneficially owned by any stockholder, shares of Class A or Common Stock subject to options or restricted stock units ("RSUs") held by that person that are currently exercisable or vested or will become exercisable or vested within 60 days of the Record Date are included. Such shares, however, are not deemed outstanding for purposes of computing the percentage owned by any other person.

Name	Class A Stock **Amount and Nature of Beneficial Ownership (1)**		**Percent of Class**	Common Stock **Amount and Nature of Beneficial Ownership (1)**		**Percent of Class**
Directors and Nominees						
Richard Robinson	3,155,200	(2)	100 %	6,341,572	(3)	18.5 %
James W. Barge	—		—	29,394	(4)	*
Marianne Caponnetto	—		—	16,794	(5)	*
John L. Davies	—		—	47,394	(6)	*
Andrew S. Hedden	648,620	(2)	39.2 %	2,426,482	(7)	7.7 %
Mae C. Jemison	—		—	39,998	(8)	*
Peter M. Mayer	—		—	61,644	(9)	*
John G. McDonald	—		—	48,398	(10)	*
Augustus K. Oliver	—		—	52,668	(11)	*
Richard M. Spaulding	—		—	166,752	(12)	*
Peter Warwick**	—		—	0		*
Margaret A. Williams	—		—	16,794	(5)	*
Named Executive Officers						
Richard Robinson	3,155,200	(2)	100 %	6,341,572	(3)	18.5 %
Maureen O'Connell	—		—	274,150	(13)	1.0 %
Margery Mayer	—		—	159,618	(14)	*
Judith Newman	—		—	125,211	(15)	*
Alan J. Boyko	—		—	123,512	(16)	*
All directors, director nominees and executive officers as a group (16 persons)	3,155,200	(2)	100 %	7,598,669	(17)	21.6 %

* Less than 1.0%

** Nominee

(1) Except as indicated in the notes below, each person named has sole voting and investment power with respect to the shares shown opposite his or her name.

(2) See the information with respect to Richard Robinson and Andrew S. Hedden under "Principal Holders of Class A Stock and Common Stock" above. The shares of Class A Stock are convertible at the option of the holder into shares of Common Stock at any time on a share-for-share basis.

(3)

See the information with respect to Richard Robinson under “Principal Holders of Class A Stock and Common Stock” above.

(4) Includes 7,257 shares of Common Stock held directly by Mr. Barge, 20,763 shares of Common Stock under options exercisable by Mr. Barge within 60 days of the Record Date under the Scholastic Corporation 2007 Outside Directors Stock Incentive Plan or the Amended and Restated Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (together, the “2007 Plan”) and 1,374 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(5) Includes 3,657 shares held directly by such director, 11,763 shares of Common Stock under options exercisable by such director within 60 days of the Record Date under the 2007 Plan and 1,374 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(6) Includes 7,257 shares of Common Stock held directly by Mr. Davies, 20,763 shares of Common Stock under options exercisable by Mr. Davies within 60 days of the Record Date under the 2007 Plan, and 18,000 shares of Common Stock under options exercisable by Mr. Davies within 60 days of the Record

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Date under the Scholastic Corporation 1997 Outside Director Stock Option Plan (the “1997 Plan”) and 1,374 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(7) See the information with respect to Andrew S. Hedden under “Principal Holders of Class A Stock and Common Stock” above.

(8) Includes 5,861 shares of Common Stock held directly by Dr. Jemison, 14,763 shares of Common Stock under options exercisable by Dr. Jemison within 60 days of the Record Date under the 2007 Plan, 18,000 shares of Common Stock under options exercisable by Dr. Jemison within 60 days of the Record Date under the 1997 Plan and 1,374 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(9) Includes 21,507 shares of Common Stock held directly by Mr. Mayer, 20,763 shares of Common Stock under options exercisable by Mr. Mayer within 60 days of the Record Date under the 2007 Plan, 18,000 shares of Common Stock under options exercisable by Mr. Mayer within 60 days of the Record Date under the 1997 Plan and 1,374 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(10) Includes 8,261 shares of Common Stock held directly by Mr. McDonald, 20,763 shares of Common Stock under options exercisable by Mr. McDonald within 60 days of the Record Date under the 2007 Plan, 18,000 shares of Common Stock under options exercisable by Mr. McDonald within 60 days of the Record Date under the 1997 Plan and 1,374 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(11) Includes 12,531 shares of Common Stock held directly by Mr. Oliver, 20,763 shares of Common Stock under options exercisable by Mr. Oliver under the 2007 Plan, 18,000 shares of Common Stock under options exercisable by Mr. Oliver within 60 days of the Record Date under the 1997 Plan and 1,374 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan

(12) Includes 144,615 shares of Common Stock held directly by Mr. Spaulding, 3,000 shares of Common Stock under options exercisable by Mr. Spaulding within 60 days of the Record Date under the 2001 Plan, 17,763 shares of Common Stock under options exercisable by Mr. Spaulding within 60 days of the Record Date under the 2007 Plan and 1,374 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(13) Includes 20,960 shares of Common Stock held directly by Ms. O’Connell, 25 shares of Common Stock owned by Ms. O’Connell’s minor son, 25,563 shares of Common Stock under options exercisable by Ms. O’Connell within 60 days of the Record Date under the 2011 Plan, 221,000 shares of Common Stock under options exercisable by Ms. O’Connell within 60 days of the Record Date under the 2001 Plan, 1,740 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan, 3,000 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan and 1,862 RSUs scheduled to vest within 60 days of the Record Date under the Scholastic Corporation Management Stock Purchase Plan (the “MSPP”). Does not include an additional 10,263 unvested RSUs under the MSPP and 13,880 unvested RSUs under the 2011 Plan.

(14) Includes 45,810 shares of Common Stock held directly by Ms. Mayer, 12,951 shares under options exercisable by Ms. Mayer within 60 days of the Record Date under the 2011 Plan, 63,744 shares under options exercisable by Ms. Mayer within 60 days of the Record Date under the 2001 Plan, 34,000 shares under options exercisable by Ms. Mayer within 60 days of the Record Date under the Scholastic Corporation 1995 Stock Option Plan (the “1995 Plan”), 870 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan, 2,000 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan and 243 RSUs scheduled to vest within 60 days of the Record Date under the MSPP. Does not include an additional 6,336 unvested RSUs under the 2011 Plan.

(15) Includes 26,497 shares of Common Stock held directly by Ms. Newman, 20,445 shares under options exercisable by Ms. Newman within 60 days of the Record Date under the 2011 Plan, 43,800 shares under options exercisable by Ms. Newman within 60 days of the Record Date under the 2001 Plan, 25,000 shares options exercisable by Ms.

Newman within 60 days of the Record Date under the 1995 Plan, 870 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan, 8,200 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan and 399 RSUs scheduled to vest within 60 days of the Record Date under the MSPP. Does not include an additional 5,257 unvested RSUs under the MSPP and 6,336 unvested RSUs under the 2011 Plan.

(16) Includes 35,974 shares of Common Stock held directly by Mr. Boyko, 17,945 shares under options exercisable by Mr. Boyko within 60 days of the Record Date under the 2011 Plan, 37,420 shares under options exercisable by Mr. Boyko within 60 days of the Record Date under the 2001 Plan, 25,000 shares under options exercisable by Mr. Boyko within 60 days of the Record Date under the 1995 Plan, 870 RSUs

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scheduled to vest within 60 days of the Record Date under the 2011 Plan, 1,250 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan, 1,293 RSUs scheduled to vest within 60 days of the Record Date under the MSPP and 3,760 shares held under the 401(k) Plan. Does not include an additional 5,131 unvested RSUs under the MSPP and 6,336 unvested RSUs under the 2011 Plan.

(17) Includes 3,155,200 shares of Common Stock issuable on conversion of the Class A Stock (including the 1,499,000 shares issuable under the Class A Options) described in Notes 1 and 2 under "Principal Holders of Class A Stock and Common Stock" above; 1,683,092 shares of Common Stock owned by the Maurice R. Robinson Trust; 350,000 shares of Common Stock owned by the Florence L. Robinson Trust; 47,086 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for his two sons; and 34,191 shares owned by the Richard Robinson Charitable Fund. Also includes an aggregate of 979,742 shares of Common Stock held directly and 25 shares beneficially owned by all directors and executive officers as a group; an aggregate of 390,220 shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date under the 2011 Plan; an aggregate of 556,050 shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date under the 2001 Plan; an aggregate of 84,000 shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date under the 1995 Plan; an aggregate of 159,867 shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date under the 2007 Plan; an aggregate of 90,000 shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date under the 1997 Plan; an aggregate of 5,220 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan; an aggregate of 15,700 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan; an aggregate of 12,366 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan; an aggregate of 22,049 RSUs scheduled to vest within 60 days of the Record Date under the MSPP; and an aggregate of 13,861 shares of Common Stock with respect to which members of the group had voting rights as of the Record Date under the 401(k) Plan. Does not include an aggregate of 36,616 unvested RSUs under the MSPP and an aggregate of 39,224 unvested RSUs under the 2011 Plan.

Compensation Committee Interlocks and Insider Participation

No member of the Human Resources and Compensation Committee (the "HRCC") was at any time during fiscal 2014 an officer or employee of the Company or any of the Company's subsidiaries nor was any such person a former officer of the Company or any of the Company's subsidiaries. In addition, no HRCC member is an executive officer of another entity at which an executive officer of the Company serves on the board of directors.

Human Resources and Compensation Committee Report

The HRCC has reviewed and discussed with management the Compensation Discussion and Analysis ("CD&A") section of this Proxy Statement. Based on this review and discussion, the HRCC recommended to the Board (and the Board has approved) that the CD&A be included in this Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2014.

The members of the Human Resources and Compensation Committee of the Board of Directors of Scholastic Corporation have provided this report.

John L. Davies, Chairperson
Marianne Caponnetto
Peter M. Mayer
John G. McDonald

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COMPENSATION DISCUSSION AND ANALYSIS

The Company’s compensation programs for its executive officers and other senior management are administered by the Human Resources and Compensation Committee (“HRCC”), which is composed solely of independent directors as defined by NASDAQ rules. The Company’s overall objective is to maintain compensation programs that foster the short-term and long-term goals of the Company and its stockholders while attracting, motivating and retaining qualified individuals.

The HRCC generally consults with management regarding employee compensation matters. The Company’s Chief Executive Officer, working with the Company’s Human Resources Department, makes annual compensation recommendations to the HRCC for executive officers (other than himself) and senior management, including the Named Executive Officers. The Company’s compensation programs have been adopted in order to implement the HRCC’s compensation philosophy discussed below, while taking into account the Company’s financial position and financial performance. They have been developed with the assistance of the Human Resources Department, as well as independent executive compensation consultants retained by the HRCC. A description of the composition and procedures of the HRCC is set forth under “Meetings of the Board and its Committees-Human Resources and Compensation Committee” and “Corporate Governance-HRCC Procedures” in “Matters Submitted to Stockholders-Proposal 1: Election of Directors,” below.

The HRCC regularly reviews the Company’s compensation programs and considers appropriate methods to tie the executive compensation program to performance and to further strengthen management’s alignment with stockholders.

Compensation Philosophy and Objectives

Pay Competitively

- The Company’s goal is to provide a competitive compensation framework, taking into account the financial position and performance of the Company, individual contributions, teamwork, divisional or group contributions and the external market in which the Company competes for executive talent.
- The Company, through competitive compensation policies, strives to foster the continued development of the Company’s operating segments, which in turn builds stockholder value.
- In determining the compensation of its Named Executive Officers, the Company seeks to achieve its compensation objectives through a combination of fixed and variable compensation.
- The Company reviews the executive compensation of a broad group of companies in the publishing, media, technology and education industries for comparative purposes. In addition, the companies included in the specific compensation peer group are selected based upon several criteria, including size of company by revenues, relevant industry and other factors.

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Pay for Performance	• The Company's compensation practices are designed to create a direct link between the aggregate compensation paid to each Named Executive Officer and the overall financial performance of the Company. • As applicable to business unit executives, the performance of a specific business unit for which an executive is responsible, or group of which such business unit is a part, may also be used to create a link between the achievement of divisional and group financial goals and the overall financial performance of the Company.
Executives as Stockholders	• The Company's compensation practices are also designed to link a portion of each Named Executive Officer's compensation opportunity directly to the value of the Common Stock through the use of stock-based awards, including stock options and restricted stock units.

Peer Group Analysis

The Company reviews the compensation practices of selected peer companies to use as a general frame of reference, but it does not formally benchmark its compensation against that of such peer companies. The peer companies to which the Company has looked to gauge its competitiveness for these purposes have included but were not limited to the following: Barnes & Noble Inc., Career Education Corporation, Houghton Mifflin Harcourt Company, Meredith Corporation, Pearson plc, Reed Elsevier plc, E. W. Scripps Company, The Washington Post Company and John Wiley & Sons, Inc. This peer group is largely the same as the peer group selected for the Company's fiscal 2013 with two exceptions. School Specialty Inc. was removed from the peer group due to their Chapter 11 restructuring and Houghton Mifflin Harcourt was added as it became a public company in November 2013. Additionally, in analyzing its executive compensation, from time to time the Company reviews general industry compensation surveys provided by consulting firms, as well as more focused surveys covering a broad base of media companies.

Components of Executive Compensation

The following chart provides a brief overview of each of the elements of compensation. A more detailed description of each compensation element follows this chart.

Compensation Element	**Objective**	**Key Features**
Fixed		
Base Salary	• To establish a fixed level of compensation principally tied to day-to-day responsibilities	• Base salary is determined taking into account several factors, including individual job performance, salary history, internal equity, competitive external market conditions for recruiting and retaining executive talent, the scope of the executive's position and level of experience, changes in responsibilities, responsibility for larger, more difficult to manage or more complex initiatives, such as new product development, or positions that require considerable creative talent, creative marketing capability or digital skills, or the management of those providing such creative content, marketing and digital expertise.

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Compensation Element Variable	Objective	Key Features
Annual Performance-Based Cash Bonus Awards	• To provide a reward based upon the achievement of the Company's financial, operating and strategic goals established for the year	• Through the use of annual bonus awards, the HRCC ties a significant portion of each Named Executive Officer's total potential compensation to Company performance which, in the case where the executive officer is responsible for an operating unit of the Company, may also include business unit or segment performance, as well as group performance.
Long-Term Incentive Compensation	• To align the long-term interests of the executives and the Company's stockholders	• Stock options, which typically vest ratably over four years, producing value for executives and employees only if the Common Stock price increases over the exercise price. • Restricted stock units, which convert automatically into shares of Common Stock on a 1-to-1 basis upon vesting, generally over a four year period, serving as a retention tool as well as increasing stock ownership.
Other Equity-Based Incentives and Benefit Plans	• To attract and retain highly qualified talent and maintain market competitiveness	• The Company's executives participate in the 401(k) Plan on the same terms as all employees. • The ESPP provides a method for all employees, including executives, to purchase Common Stock at a 15% discount. • The MSPP permits senior management to defer receipt of all or a portion of their annual cash bonus payments in order to acquire restricted stock units at a 25% discount.

Base Salary

Base salaries are reviewed annually in the context of the HRCC's consideration of the effect of base compensation on recruiting and retaining executive talent. In establishing each executive officer's base salary, including those of the Named Executive Officers, the HRCC considers several factors, as described under "Base Salary" in the above chart. In considering annual base salary increases, Company financial performance is also taken into consideration.

Consistent with the Company's policy for all employees, salaries for executive officers and senior management, including the Named Executive Officers, are reviewed annually in either July or September and any increases, based on the compensation objectives discussed above, are generally effective on October 1 of each year. For fiscal 2014, there were no increases in the base salaries of the Named Executive Officers, with the exception of Ms. Mayer, who received a 5.3% increase to base salary to recognize additional responsibilities assigned to her resulting from aligning together two of the Company's education businesses into the Education Group, and Mr. Boyko, who received a 22% increase to base salary to create better internal equity and recognize his significant role in the Children's Book Group.

Annual Performance-Based Cash Bonus Awards

The HRCC ties a meaningful portion of each Named Executive Officer's total potential compensation to Company performance, which, in the case where a Named Executive Officer is responsible for an operating unit of the Company, may also include business unit, segment or group performance, through the use of annual cash bonus awards. In setting financial and operating performance targets, which are established early in the

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fiscal year, the HRCC considers Company-wide strategic and operating plans and, where applicable, those of the executive's business unit, segment or group. In each case, whether considering the Company as a whole or an executive's business unit, segment or group, the HRCC considers the budget for the next fiscal year and sets specific incentive targets that are directly linked to the Company's financial performance or that of the business unit, segment or group. The continued focus of the annual bonus element of compensation has been to align the interests of senior management, including the Named Executive Officers, with the Company's financial, operating and strategic goals for the year, and in the case of fiscal 2014, to primarily encourage the achievement of the Company's key financial and operating goals for fiscal 2014, with the focus on overall Company performance, as well as group performance if targets were exceeded.

Potential bonus awards for senior management and other eligible employees are set and determined under the Company's Management Incentive Program ("MIP") or, in the case of selected executives, including the Named Executive Officers, under the Executive Performance Incentive Plan ("EPIP"), which is designed to be exempt from the application of Section 162(m) of the Internal Revenue Code of 1986 (the "Code") as discussed below under "Regulatory Considerations." Under the EPIP, the Company retains the discretion to decrease, but not increase, the total bonus paid thereunder to a Named Executive Officer. Upon the recommendation of the Chief Executive Officer, made at the time annual fiscal year targets are established, targets may also be established to reflect certain other Company objectives, such as revenue growth, expense management, strategic development, organizational effectiveness or demonstration of the achievement of certain cross-departmental company or specific individual goals.

Fiscal 2014 Bonuses

For each of the Named Executive Officers, individual EPIP bonus potentials for fiscal 2014 were dependent upon the achievement of Company or business group targets as indicated in the chart below, with the potential bonus payout for each executive ranging from 0% to 150% of the target bonus amount.

As discussed above, the annual bonus awards are generally designed to reward for Company-wide measurable performance, as well as certain other indicators of performance. With respect to fiscal 2014, the HRCC set the EPIP performance targets for the Named Executive Officers primarily based on Company-wide goals, focusing on the objective of meeting the Company's fiscal 2014 operating plan. A corporate bonus pool was to be funded based upon the achievement of the Corporate Operating Income target, and the EPIP bonuses for all of the Named Executive Officers were to be solely based on achievement of that corporate metric up to the target bonus opportunity. Assuming the Corporate Operating Income target was met for fiscal 2014, the portion of the corporate bonus pool resulting from any performance above target would then be proportionally divided based on Corporate Operating Income and, for certain of the Named Executive Officers, the Group Operating

Income relative contribution in accordance with the table below. Corporate Operating Income was defined for this purpose as the Company's net revenues less total operating costs and expenses from continuing operations as reported in the Company's audited financial statements, excluding non-standard items (*e.g.*, one-time items as discussed in earnings releases or calls and press releases, legal or tax settlements, changes to accounting policies or impaired assets). For those Named Executive Officers, as well as other senior management, in the Children's Book Group or Education Group, the achievement of Group Operating Income was based on the Operating Income of the Children's Book Group or Education Group, as applicable.

Funding Metrics	**Corporate Operating Income to the extent it is less than or equal to target**		**Corporate Operating Income to the extent it is greater than target**	
Participants	**Corporate Operating Income**	**Group Operating Income**	**Corporate Operating Income**	**Group Operating Income**
Named Executive Officers (Children's Book Group and Education Group)	100%	0%	0%	100%
Named Executive Officers (Staff)	100%	0%	100%	0%

In the event the Corporate Operating Income target was exceeded, for fiscal 2014 the bonus pool could be increased to fund up to a maximum of 150% of the target amount from the bonus pool for purposes of the EPIP. While individual payouts could be adjusted based on individual performance, in no case could the sum of all individual payouts exceed the total of the available corporate bonus pool. Also, if the corporate bonus pool was not funded by at least 25% of its target amount, a discretionary pool could, if determined by the HRCC, be funded within the range of 20-25% of the actual funding to be used for retention purposes for the top 10-20% highest performing employees based on recommendations to the HRCC resulting from individual performance analyses by the Human Resources Department. In the event such a discretionary pool was funded and used to pay bonuses to Named Executive Officers, such bonuses would not be covered under the EPIP, but would be considered supplemental bonuses subject to the deduction limits of Section 162(m) of the Code.

Target bonus amounts are stated as a percent of base salary. As part of the annual compensation review referred to in the base salary discussion above, for fiscal 2014, target bonus amounts were increased for certain of the Named Executive Officers to increase the percentage of performance-based compensation. Specifically, Ms. Mayer's and Ms. Newman's target bonus amounts were changed from 65% of base salary to 70% of base salary.

For fiscal 2014, the Company achieved Corporate Operating Income of $107 million, which was 86.0% of the target amount and above the threshold for bonus payout under the EPIP. Based on the foregoing, the HRCC approved bonuses to be paid to the Named Executive Officers under the EPIP as provided in the following table.

Named Executive	Fiscal 2014 Bonus Amount[1]	Actual Bonus payout as a percentage of base salary	Target Bonus payout as a percentage of base salary
Richard Robinson	$1,017,979	105.0 %	125 %
Maureen O'Connell	$598,194	79.8 %	95 %
Margery Mayer	$396,403	58.8 %	70 %
Judith Newman	$411,390	58.8 %	70 %
Alan J. Boyko	$323,235	58.8 %	70 %

(1) Actual bonus payouts were calculated at 84% of target as 2% of the funded pool was reserved for allocation to top performing plan participants below the senior management level.

Fiscal 2015 Targets

As discussed above, the annual bonus awards are generally designed to reward for Company-wide measurable performance, as well as certain other indicators of performance. With respect to fiscal 2015, the HRCC has again set the EPIP performance targets for the Named Executive Officers primarily based on Company-wide goals, focusing on the objective of meeting the Company's fiscal 2015 operating plan. A corporate bonus pool will be funded based upon the achievement of the Corporate Operating Income target, and the EPIP bonuses for all of the Named Executive Officers will be solely based on achievement of that corporate metric up to the target bonus opportunity. Assuming the Corporate Operating Income target is met for fiscal 2015, the portion of the corporate bonus pool resulting from any performance above target will then be proportionally divided based on Corporate Operating Income and the Group Operating Income relative contribution in accordance with the table below. Corporate Operating Income is defined for this purpose as the Company's net revenues less total operating costs and expenses from continuing operations as reported in the Company's audited financial statements, excluding non-standard items (*e.g.*, one-time items as discussed in earnings releases or calls and press releases, legal or tax settlements, changes to accounting policies or impaired assets.) For those Named Executive Officers, as well as other senior management, in the Children's Book Group or Education Group, the achievement of Group Operating Income will be based on the Operating Income of the Children's Book Group or Education Group, as applicable.

Funding Metrics	**Corporate Operating Income to the extent it is less than or equal to target**		**Corporate Operating Income to the extent it is greater than target**	
Participants	**Corporate Operating Income**	**Group Operating Income**	**Corporate Operating Income**	**Group Operating Income**
Named Executive Officers (Children's Book Group and Education Group)	100%	0%	0%	100%
Named Executive Officers (Staff)	100%	0%	100%	0%

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In the event the Corporate Operating Income target is exceeded, for fiscal 2015 the bonus pool may be increased to fund up to a maximum of 150% of the target amount for the bonus pool for the purposes of the EPIP. While individual payouts can be adjusted based on individual performance, in no case can the sum of all individual payouts exceed the total of the available corporate bonus pool. Also, if the corporate bonus pool is not funded by at least 25% of its target amount, a discretionary pool may, if determined by the HRCC, be funded within the range of 20-25% of the actual funding to be used for retention purposes for the top 10-20% highest performing employees based on recommendations to the HRCC resulting from individual performance analyses by the Human Resources Department. In the event such a discretionary pool was funded and used to pay bonuses to Named Executive Officers, such bonuses would not be covered under the EPIP, but would be considered supplemental bonuses subject to the deduction limits of Section 162(m) of the Code.

Special Supplemental Retention Bonus for Fiscal 2015

On August 6, 2014, the HRCC approved a special incentive and retention bonus for Maureen O’Connell in respect to her lead responsibility for a specific organizational assignment and her performance of certain additional work required for the assignment. In order to ensure her continued involvement in this work, the bonus, in the amount of $500,000, is payable on December 15, 2014, as long as Ms. O’Connell remains in the employ of the Company on that date.

Long-Term Incentive Compensation

The HRCC, which is comprised solely of independent directors as defined by NASDAQ rules, determines the awards of long-term compensation through equity incentives (in the form of stock options and restricted stock units) granted to executive officers, including the Named Executive Officers and senior management, as well as other eligible employees.

The practice of the HRCC is to consider:

- Annual equity grants to key employees, including the Named Executive Officers and other executive officers and members of senior management, at its regularly scheduled meeting in either July or September.
- Equity grants at other times depending upon circumstances such as promotions, new hires or special considerations.

From September 2001 through July 2011, most of the equity awards were made under the Scholastic Corporation 2001 Stock Incentive Plan (the “2001 Plan”), which provided for the grant of non-qualified stock options, incentive stock options, restricted stock and other stock-based awards. Only non-qualified stock options and restricted stock units were granted under the 2001 Plan, which expired in July 2011. Certain of the Named Executive Officers also have stock options remaining outstanding under the Scholastic Corporation 1995 Stock Option Plan (the "1995 Plan"), which expired in September 2005 and provided only for the

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grant of non-qualified stock options. The Company currently makes its grants of stock options and restricted stock units under the Scholastic Corporation 2011 Stock Incentive Plan (as amended, the “2011 Plan”), which was approved by the Board in July 2011 and by the Class A stockholders in September 2011.

The HRCC has determined that its current practice should continue to be to generally consider the award of restricted stock units and stock options, including a combination of both in most cases, which determination reflects the desire to maintain a strong long-term equity component in executive compensation and to reduce, through the restricted stock unit component, the number of equity units required to provide such component. Accordingly, the Company currently utilizes grants of stock options, restricted stock units or a combination of both to qualified executives, including the Named Executive Officers.

Options to Purchase Common Stock and Restricted Stock Units

During fiscal 2014, the HRCC granted equity-based awards to the Named Executive Officers and certain other members of senior management and to certain newly-hired employees to fulfill contractual obligations or commitments. These grants were made in the form of stock options, restricted stock units or a combination of both.

Stock options produce value for executives and employees only if the Common Stock price increases over the exercise price, which is set at the fair market value of the Common Stock on the date of grant, calculated as the average of the high and low prices on the date of grant. The Company historically has calculated the exercise price of stock options by this method, which it believes gives a fair market value and eliminates price fluctuations during the day that the grant is made. Stock options granted by the HRCC normally vest in 25% annual installments beginning on the first anniversary of the grant date and expire after ten years.

Restricted stock units granted under the 2011 Plan convert automatically into shares of Common Stock on a one-to-one basis upon vesting. The 2011 Plan does not permit the deferral of restricted stock units, and the vesting of restricted stock units is generally in four equal annual installments beginning with the first anniversary of the date of grant. Through vesting and forfeiture provisions, both stock options and restricted stock units create incentives for executive officers and senior management to remain with the Company.

The specific fiscal 2014 grants to the Named Executive Officers are set forth below in the “Grants of Plan-Based Awards” table, and information regarding the equity awards held by the Named Executive Officers as of the end of fiscal 2014 is set forth below in the “Outstanding Equity Awards at May 31, 2014” table. The HRCC made its long-term incentive compensation grants for fiscal 2014 in September 2013. These grants represent an annual award for each of the Named Executive Officers, as well as one-time grants for Ms. Mayer, Ms. Newman and Mr. Boyko to recognize their roles and responsibilities in certain business restructurings in which they were involved.

Equity Awards for the Chief Executive Officer

In 2004, the HRCC concluded that Mr. Robinson's long-term incentive compensation opportunities had been significantly below those made available to the chief executive officers of other companies in the publishing, media and education industries reviewed by the HRCC. As a result of its review of this issue, taking into account Mr. Robinson's overall compensation, the Company adopted the Scholastic Corporation 2004 Class A Stock Incentive Plan (the "Class A Plan"), which was designed to enable options to be granted to Mr. Robinson to acquire Class A Stock ("Class A Options"). The HRCC concluded that the Class A Plan was in the best interests of the Company and its stockholders since options granted thereunder would, in its opinion, be a significant motivating factor for Mr. Robinson and would also reflect Mr. Robinson's stated intention to treat any long-term incentive compensation opportunities provided to him under the Class A Plan as a long-term investment in the Company. Mr. Robinson was the only eligible participant in the Class A Plan. Mr. Robinson received a total of 1,499,000 Class A Options under the Class A Plan during the period 2004 through 2008, at which time the program contemplated by the Class A Plan was completed.

Since completion of the program contemplated by the Class A Plan, long-term incentives provided to Mr. Robinson have been in the form of options to purchase Common Stock. For fiscal 2011, 2012 and 2014, Mr. Robinson was granted options under the 2001 Plan or the 2011 Plan to purchase 250,000 shares of Common Stock, 224,152 shares of Common Stock and 198,789 shares of Common Stock, respectively, in each case at the same time as the long-term incentive grants were also awarded to other executive officers and senior management. No grant was made to Mr. Robinson for fiscal 2013.

Information regarding the equity awards held by Mr. Robinson as of the end of fiscal 2014 is set forth in the "Outstanding Equity Awards at May 31, 2014" table.

Other Equity-Based Incentives

The Scholastic Corporation Employee Stock Purchase Plan (as amended, the "ESPP") and the Scholastic Corporation Management Stock Purchase Plan (as amended, the "MSPP") were designed to augment the Company's stock-based incentive programs by providing participating employees with equity opportunities intended to further align their interests with the Company and its stockholders. The purpose of the ESPP is to encourage broad-based employee stock ownership. The ESPP is offered to United States-based employees, including the Named Executive Officers other than Mr. Robinson. The ESPP permits participating employees to purchase, through after-tax payroll deductions, Common Stock at a 15% discount from the closing price of the Common Stock on the last business day of each calendar quarter.

Under the MSPP, which was adopted in 1999 in order to provide an additional incentive for senior management, including the Named Executive Officers, to invest in Common Stock through the use of their cash bonuses paid under the MIP or EPIP, eligible

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members of senior management may use such annual cash bonus payments on a tax-deferred basis to purchase restricted stock units in the Company at a 25% discount from the lowest closing price in the fiscal quarter in which the bonus is paid.

With respect to fiscal 2014, senior management participants were permitted to defer receipt of all or a portion of their annual cash bonus payments, which will be used to acquire restricted stock units ("RSUs") at a 25% discount from the lowest closing price of the underlying Common Stock during the fiscal quarter ending on August 31, 2014. The deferral period chosen by the participants may not be less than the three-year vesting period for the RSUs, with the first three years of deferral running concurrently with the vesting period. Upon expiration of the applicable deferral period, the RSUs are converted into shares of Common Stock on a one-to-one basis. During fiscal 2014, seven members of senior management elected to participate in the MSPP.

The chart below reflects the allocation by each of the Named Executive Officers of his or her bonus to the MSPP for fiscal 2014.

Named Executive Officer	**Fiscal 2014 Bonus amount**	**% allocation to the MSPP for Fiscal 2014 Bonus**	**Dollar amount of Bonus to be used for the purchase of RSUs on 9/2/2014**
Richard Robinson	$1,017,979	100 %	$1,017,979
Maureen O'Connell	$598,194	20 %	$119,639
Margery Mayer	$411,390	0 %	$0
Judith Newman	$396,403	50 %	$198,202
Alan J. Boyko	$323,235	25 %	$80,809

Results of Stockholder Advisory Votes on Compensation of Named Executive Officers

At the 2011 Annual Meeting of Stockholders, the Class A Stockholders approved the fiscal 2011 compensation for the Company's Named Executive Officers, including the policies and practices related thereto. The Company believes this vote reflected the general satisfaction of the Class A Stockholders with the Company's compensation philosophy for the Named Executive Officers. Accordingly, the HRCC is continuing to apply the same general principles in determining the amounts and types of executive compensation for fiscal 2014 as outlined in the Company's compensation philosophy and framework described above. In addition, at the same meeting the Class A Stockholders approved a determination that the Company hold advisory votes on Named Executive Officer compensation once every three years. As a result, the next advisory vote on Named Executive Officer compensation will take place at the Annual Meeting in respect of the fiscal 2014 compensation for the Company's Named Executive Officers, including the policies and procedures related thereto. Such advisory proposal is included as Proposal 2 in this Proxy Statement, and the HRCC intends to consider the results of the vote in crafting the Company's compensation programs for its

Named Executive Officers in future years.

Regulatory Considerations

Section 162(m) of the Code generally disallows a Federal income tax deduction for compensation paid by a publicly-held corporation in excess of $1 million to certain of its executive officers, unless the amount of such excess constitutes “qualified performance-based compensation,” including income from certain stock option awards and compensation payable based solely upon the attainment of pre-established, objective performance criteria. Stock option awards under the Company’s 1995 Plan, 2001 Plan and 2011 Plan are intended to constitute qualified performance-based compensation and income realized upon the exercise of such stock options is intended to be fully deductible by the Company notwithstanding the limits of Code Section 162(m). The Company has taken steps so that certain other components of the incentive compensation it makes available to its Named Executive Officers are intended to meet the requirements of qualified performance-based compensation and be fully deductible. For example, amounts payable under the EPIP are intended to be exempt from the deduction limits of Section 162(m) as qualified performance-based compensation. Any EPIP bonuses deferred under the Management Stock Purchase Plan by Named Executive Officers are intended to be fully deductible when paid; however, the 25% discount at which such deferrals are converted into restricted stock units under the MSPP does not constitute qualified performance-based compensation and counts towards the $1 million deduction limit of Section 162(m). In addition, bonuses awarded from any discretionary pool established under the MIP and time-vested restricted stock units awarded under the Company’s 2001 Plan and 2011 Plan also do not constitute qualified performance-based compensation, and income realized by a Named Executive Officer from any such awards would count towards the $1 million deduction limit of Section 162(m). In appropriate circumstances, the HRCC may deem it appropriate to pay compensation, including supplemental bonuses, or make incentive or retentive awards, such as time-vested restricted stock units, that do not constitute qualified performance-based compensation and therefore may not be deductible under Section 162(m). The time-vested restricted stock units awarded to the Named Executive Officers during fiscal 2014, as previously described, did not constitute “qualified performance-based compensation” under Section 162(m).

SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation earned by or paid to the Named Executive Officers for the fiscal years ended May 31, 2014, May 31, 2013 and May 31, 2012 as indicated below. Since Mr. Boyko became a Named Executive Officer for the first time in fiscal 2014, compensation information for Mr. Boyko is presented in the Summary Compensation Table and the other tables which follow, including the related notes thereto, only for fiscal 2014.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	**Stock Awards[3] ($)**	**Option Awards[4] ($)**	**Non-Equity Incentive Plan Compensation[5] ($)**	**Change in Pension Value and Nonqualified Deferred Compensation Earnings[6] ($)**	**All Other Compen-sation[7] ($)**	Total ($)
Richard Robinson	2014	$970,000	$0	$0	$2,299,989	$1,017,979	$40,020	$89,445	$4,417,433
Chairman of the Board, Chief	2013	$1,007,308 (1)	$0	$0	$0	$0	$55,393	$517,101	$1,579,802
Executive Officer and President	2012	$933,461	$0	$0	$2,300,005	$1,746,000	$88,553	$222,498	$5,290,517
Maureen O'Connell	2014	$750,000	$0	$209,983	$490,011	$598,194	$542	$41,198	$2,089,928
Executive Vice President,	2013	$778,847 (1)	$450,000 (2)	$0	$0	$0	$313	$132,041	$1,361,201
Chief Administrative Officer and Chief Financial Officer	2012	$731,731	$0	$390,011	$259,998	$1,012,500	$109	$37,565	$2,431,914
Margery Mayer	2014	$687,885	$0	$104,992	$544,999	$411,390	$1,771	$25,882	$1,776,919
Executive Vice President	2013	$690,577 (1)	$0	$0	$0	$0	$3,448	$21,101	$715,126
and President, Scholastic Education	2012	$647,827	$0	$209,997	$139,997	$598,500	$2,628	$21,066	$1,620,015
Judith Newman	2014	$674,501	$0	$104,992	$544,999	$396,403	$1,581	$26,532	$1,749,008
Executive Vice President	2013	$694,451 (1)	$0	$0	$0	$0	$4,966	$88,843	$788,260
and President, Scholastic	2012	$651,544	$0	$209,997	$139,997	$518,700	$2,236	$35,517	$1,557,991

Book Clubs and E-Commerce									
Alan J. Boyko President, Scholastic Book Fairs, Inc.	2014	$513,463 (1)	$0	$104,992	$544,999	$323,235	$1,646	$26,057	$1,514,392

(1) For fiscal year June 1, 2012 through May 31, 2013, there were 27 instead of the usual 26 pay periods for Mr. Robinson and Ms. O'Connell, Ms. Mayer and Ms. Newman. For fiscal year June 1, 2013 through May 31, 2014, there were 27 instead of the usual 26 pay periods for Mr. Boyko.

(2) Represents a special incentive bonus approved by the HRCC relating to Ms. O'Connell's successfully achieving targeted results in directing a significant company-wide cost cutting initiative.

(3) Represents the grant date fair value under FASB ASC Topic 718 of awards of restricted stock units granted to the Named Executive Officers in the fiscal year indicated. Assumptions used in determining the fair value can be found in Note 1 of Notes to Consolidated Financial Statements included in Item 8, "Consolidated Financial Statements and Supplementary Data," in the Annual Report, disregarding estimates of forfeitures related to service-based vesting conditions. There were no forfeitures during fiscal 2014, 2013 or 2012 for the Named Executive Officers.

(4) Represents the grant date fair value under FASB ASC Topic 718 of awards of stock options granted to the Named Executive Officers in the fiscal year indicated. Assumptions used in determining fair value can be found in Note 1 of Notes to Consolidated Financial Statements included in Item 8, "Consolidated Financial Statements and Supplementary Data," in the Annual Report, disregarding estimates of forfeitures related to service-based vesting conditions. There were no forfeitures during fiscal 2014, 2013 or 2012 for the Named Executive Officers.

(5) Represents the full amount of the cash bonus actually awarded to the Named Executive Officer with regard to the fiscal year under the EPIP, including any amounts deferred at such person's election and invested in RSUs under the MSPP. For fiscal 2014, Mr. Robinson, Ms. O'Connell, Ms. Mayer, Ms. Newman and Mr. Boyko had elected to invest 100%, 20%, 0%, 50% and 25%, respectively, of his or her fiscal 2014 bonus for the purchase of RSUs, which will occur on September 2, 2014. For fiscal 2013, Mr. Robinson, Ms. O'Connell, Ms. Mayer and Ms. Newman had elected to invest 50%, 15%, 0% and 10%, respectively, of his or her fiscal 2013 bonus for the purchase of RSUs; however, none of such persons received an eligible bonus for this purpose. For fiscal 2012, Mr. Robinson, Ms. O'Connell, Ms. Mayer and Ms. Newman had elected to invest 50%, 20%, 0% and 20%, respectively, of his or her fiscal 2012 bonus for the purchase of RSUs, which occurred on September 4, 2012.

(6) Represents the actuarial present value of the Named Executive Officer's accumulated benefit under the Company's Cash Balance Retirement Plan on the pension plan measurement date used for financial statement purposes for fiscal 2014, fiscal 2013 and fiscal 2012.

(7) All Other Compensation is further described in the table entitled "Summary of All Other Compensation" below.

Summary of All Other Compensation

Name	Fiscal Year	401(k) Plan Matching Contributions ($)	Life Insurance Premiums ($)	**RSU Cost(1) ($)**	**Perquisites(2) ($)**	**Dividend Earnings on vested MSPP RSUs and unvested 2001/2011 Plan RSUs(3) ($)**	Total ($)
Richard Robinson	2014	$7,800	$174	$0	$ 81,471	$ 0	$89,445
	2013	$7,800	$213	$427,426	$ 81,662	$ 0	$517,101
	2012	$7,350	$240	$136,099	$ 78,809	$ 0	$222,498
Maureen O'Connell	2014	$7,596	$348	$0	$ 0	$ 33,254	$41,198
	2013	$7,846	$425	$99,141	$ 0	$ 24,629	$132,041
	2012	$7,096	$480	$15,920	$ 0	$ 14,069	$37,565
Margery Mayer	2014	$7,538	$348	$0	$ 0	$ 17,996	$25,882
	2013	$7,749	$425	$0	$ 0	$ 12,927	$21,101
	2012	$7,350	$480	$2,078	$ 0	$ 11,158	$21,066
Judith Newman	2014	$7,583	$348	$0	$ 0	$ 18,601	$26,532
	2013	$7,835	$425	$50,783	$ 18,752	$ 11,048	$88,843
	2012	$7,099	$480	$0	$ 17,017	$ 10,921	$35,517
Alan J. Boyko	2014	$8,808	$348	$0	$ 0	$ 16,901	$26,057

(1) Represents the compensation cost to the Company resulting from the 25% MSPP discount for the restricted stock units purchased by the Named Executive Officer under the MSPP in the year indicated using the bonus that would otherwise would have been paid in such year. There were no bonuses paid to the Named Executive Officers for fiscal 2013 which could be used to purchase RSUs in fiscal 2014. The compensation cost is computed using the grant date fair values for fiscal 2013 and 2012 under FASB ASC Topic 718 of $9.66 and $8.55, respectively,

multiplied by the number of RSUs purchased in that fiscal year. Assumptions used in determining fair value can be found in Note 1 of Notes to Consolidated Financial Statements included in Item 8, “Consolidated Financial Statements and Supplementary Data,” in the Annual Report.

(2) For Mr. Robinson, $76,155, $74,928 and $72,495 of the amounts shown for fiscal 2014, 2013 and 2012, respectively, represents a portion of the compensation of certain employees who perform administrative services for Mr. Robinson personally from time to time, $4,365, $6,734 and $5,200 represents club membership dues used partially for personal use for fiscal 2014, 2013 and 2012, respectively, and $950, $952, and $2,156 for fiscal 2014, 2013 and 2012, respectively, represents fees paid by the Company for executive physicals. For Ms. Newman, the amounts shown for fiscal 2013 and 2012 represent payments made by the Company for personal use of a company-provided automobile, which was no longer provided commencing in January 2013, based on information provided by her.

(3) In fiscal 2014, the Company made four dividend payments, two of which were at a quarterly dividend rate of $.15 per share on the Common and the Class A Stock and two of which were at $.125 per share on the Common and the Class A Stock. In fiscal 2013, the Company made four dividend payments of $.125 per share on the Common and the Class A Stock. In fiscal 2012, the Company made four dividend payments, two of which were at a quarterly dividend rate of $.10 per share on the Common and the Class A Stock and two of which were at $.125 per share on the Common and the Class A Stock. Under the MSPP, all vested RSUs issued thereunder receive dividend earnings. Under the 2001 Plan and the 2011 Plan, restricted stock units are entitled to dividend earnings from the date of grant. This column reflects dividend earnings accrued under all such plans for the periods indicated.

GRANTS OF PLAN-BASED AWARDS

The following table provides information on cash bonus, stock options and restricted stock units granted in fiscal 2014 to each of the Named Executive Officers.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1]							
Name	Grant Date	**Threshold ($)**	Target ($)	Maximum ($)	**All Other Stock Awards: Number of Shares of Stock or Units[2] (#)**	All Other Option Awards: Number of Securities Underlying Options (#)	**Exercise or Base Price of Option Awards[3] ($/sh)**	Closing Market Price on Grant Date ($/sh)	**Grant Date Fair Value of Stock and Option Awards[4] ($)**
Richard Robinson	—	$303,125	$1,212,500	$1,818,750	—				
	9/17/2013					198,789	$30.17	$30.17	$2,299,989
Maureen O’Connell	—	$178,125	$712,500	$1,068,750					
	9/17/2013				6,960 (4)		$30.17	$30.17	$209,983
	9/17/2013					46,579	$30.17	$30.17	$490,011
Margery Mayer	—	$122,500	$490,000	$735,000					
	9/17/2013				3,480 (4)		$30.17	$30.17	$104,992
	9/17/2013					51,806	$30.17	$30.17	$544,999
Judith Newman	—	$118,088	$472,150	$708,225					
	9/17/2013				3,480 (4)		$30.17	$30.17	$104,992
	9/17/2013					51,806	$30.17	$30.17	$544,999
Alan J. Boyko	—	$ 89,375	$357,500	$536,250					
	9/17/2013				3,480 (4)		$30.17	$30.17	$104,992
	9/17/2013					51,806	$30.17	$30.17	$544,999

(1) Represents the potential amounts of cash bonus that could have been received for fiscal 2014 under the EPIP. See the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table for the non-equity

incentive plan awards actually earned by the Named Executive Officers in fiscal 2014 to be paid in fiscal 2015.

(2) Represents restricted stock units that vest in 25% increments beginning with the first anniversary from the date of grant.

(3) The exercise price for all options is equal to the average of the high and low Common Stock price as reported on NASDAQ on the respective grant dates, which on the date of grant, September 17, 2013, was the same as the closing price.

(4) This column shows the fair values of restricted stock units and stock options as of the grant date computed in accordance with FASB ASC Topic 718. The Black-Scholes value per option used to calculate the grant date fair value was $11.57 in the case of Mr. Robinson and $10.52 for all the other Named Executive Officers.

OUTSTANDING EQUITY AWARDS AT MAY 31, 2014

The following table sets forth certain information with regard to all unexercised options and all unvested restricted stock units held by the Named Executive Officers at May 31, 2014.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options[1] (#) Exercisable	Number of Securities Underlying Unexercised Options[1] (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested[2] (#)	Market Value of Shares or Units of Stock That Have Not Vested[2] ($)
Richard Robinson	9/20/2004	333,000(3)		$ 29.49	9/20/2014		
	9/21/2005	333,000(3)		$ 36.41	9/21/2015		
	9/20/2006	333,000(3)		$ 30.08	9/20/2016		
	9/19/2007	250,000(3)		$ 36.21	9/19/2017		
	9/24/2008	250,000(3)		$ 27.93	9/24/2018		
	7/22/2009	50,000		$ 19.33	7/22/2019		
	8/27/2010	187,500	62,500	$ 22.81	8/27/2020		
	10/7/2011	112,086	112,086	$ 28.18	10/7/2021		
	9/17/2013		198,789	$ 30.17	9/17/2023		
Maureen O'Connell	3/20/2007	100,000		$ 34.85	3/20/2017		
	9/19/2007	9,000		$ 36.21	9/19/2017		
	12/11/2007	100,000		$ 34.84	12/11/2017		
	8/27/2010	6,000	6,000	$ 22.81	8/27/2020	3,000	$95,640
	10/7/2011	13,918	13,919	$ 28.18	10/7/2021	6,920	$220,610
	9/17/2013		46,579	$ 30.17	9/17/2023	6,960	$221,885
Margery Mayer	7/19/2005	34,000		$ 37.38	7/19/2015		
	7/17/2007	33,000		$ 35.38	7/17/2017		
	9/19/2007	9,000		$ 36.21	9/19/2017		
	9/22/2009	6,250		$ 24.52	9/22/2019		
	8/27/2010	0	8,000	$ 22.81	8/27/2020	2,000	$63,760
	10/7/2011	7,494	7,495	$ 28.18	10/7/2021	3,726	$118,785
	9/17/2013		51,806	$ 30.17	9/17/2023	3,480	$110,942
Judith Newman	9/20/2005	25,000		$ 36.92	9/20/2015		
	9/19/2006	6,800		$ 29.74	9/19/2016		
	7/17/2007	20,000		$ 35.38	7/17/2017		
	9/19/2007	9,000		$ 36.21	9/19/2017		
	8/27/2010	4,000	4,000	$ 22.81	8/27/2020	2,000	$63,760
	10/7/2011	7,494	7,495	$ 28.18	10/7/2021	3,726	$118,785
	9/17/2013		51,806	$ 30.17	9/17/2023	3,480	$110,942
Alan J. Boyko	9/20/2004	1,200		$ 29.19	9/20/2014		
	9/20/2005	25,000		$ 36.92	9/20/2015		

9/19/2006	2,720		$ 29.74	9/19/2016		
9/18/2007	6,000		$ 35.24	9/18/2017		
7/22/2008	15,000		$ 27.25	7/22/2018		
8/27/2010	7,500	2,500	$ 22.81	8/27/2020	1,250	$39,850
10/7/2011	7,494	7,495	$ 28.18	10/7/2021	3,726	$118,785
9/17/2013		51,806	$ 30.17	9/17/2023	3,480	$110,942

(1) All stock options that were granted in fiscal 2014 and 2012 vest in 25% increments beginning with the first anniversary of the date of grant. There were no equity grants to the Named Executive Officers in fiscal 2013.

(2) For restricted stock units granted in fiscal 2014 and fiscal 2012, the restricted stock units vest in annual 25% increments beginning with the first anniversary of the date of grant. For restricted stock units granted in fiscal 2011, 25% of the grant vests thirteen months after the grant date and the remaining 75% vests in equal increments on the 2nd, 3rd and 4th anniversaries of the grant date. The market value of restricted stock unit awards was calculated by multiplying the number of shares of Common Stock underlying the restricted stock units by $31.88, the closing price of the Common Stock on NASDAQ on May 30, 2014, the last business day of fiscal 2014.

(3) Represents a grant of Class A Options.

OPTION EXERCISES AND STOCK VESTED

The following table shows the number of shares of Common Stock acquired during fiscal 2014 upon the exercise of stock options and upon vesting of restricted stock units.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	**Value** Realized on **Exercise ($)**	Number of Shares Acquired on **Vesting[4]** (#)	**Value Realized on Vesting[4] ($)**
Richard Robinson[1]	200,000	$2,854,000	0	$0
Maureen O'Connell	0	$0	11,710	$340,349
Margery Mayer[2]	24,000	$271,200	6,863	$199,759
Judith Newman[3]	48,000	$243,146	8,363	$243,199
Alan J. Boyko	0	$0	6,113	$177,537

(1) During fiscal 2014, Mr. Robinson exercised options to purchase 200,000 shares of Common Stock. In accordance with SEC rules, the Value Realized on Exercise was calculated by subtracting the grant price of $19.33 from the fair market value of the underlying Common Stock on the date of exercise. For purposes of this table, in accordance with SEC rules, the fair market value of the Common Stock on the date of exercise was computed as the closing price for the Common Stock as reported on NASDAQ on the date of exercise, January 21, 2014, which was $33.60.

(2) During fiscal 2014, Ms. Mayer exercised options to purchase 24,000 shares of Common Stock. In accordance with SEC rules, the Value Realized on Exercise was calculated by subtracting the grant price of $22.81 from the fair market value of the underlying Common Stock on the applicable date of exercise. For purposes of this table, in accordance with SEC rules, the fair market value of the Common Stock on the date of exercise was computed as the closing price for the Common Stock as reported on NASDAQ on the date of exercise, March 27, 2014, which was $34.11.

(3)

During fiscal 2014, Ms. Newman exercised options to purchase 48,000 shares of Common Stock. In accordance with SEC rules, the Value Realized on Exercise was calculated by subtracting the grant prices of $22.81, $27.25, $29.81, and $27.25 from the fair market value of the underlying Common Stock on the applicable dates of exercise. For purposes of this table, in accordance with SEC rules, the fair market value of the Common Stock on the dates of exercise was computed as the closing prices for the Common Stock as reported on NASDAQ on the dates of exercise, July 31, 2013, August 8, 2013, December 24, 2013, December 27, 2013 and January 21, 2014, which were $30.50, $30.83, $33.87, $33.77 and $33.60, respectively.

(4) In accordance with SEC rules, the Value Realized on Vesting was computed based on the closing price of the Common Stock as reported on NASDAQ on the vesting dates. Ms. O'Connell had 5,250 RSUs, and each of Ms. Mayer, Ms. Newman and Mr. Boyko had 3,000 RSUs vest on July 22, 2013, and the closing price on that date was $29.47. Ms. O'Connell had 3,000 RSUs, each of Ms. Mayer and Ms. Newman had 2,000 RSUs and Mr. Boyko had 1,250 RSUs vest on August 27, 2013, and the closing price on that date was $29.63. Ms. O'Connell had 3,460 RSUs, and each of Ms. Mayer, Ms. Newman and Mr. Boyko had 1,863 RSUs vest on October 7, 2013, and the closing price on that date was $27.96. Ms. Newman also had 1,500 RSUs vest on October 21 2013, and the closing price on that date was $28.96.

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Pension Plan

Prior to June 1, 2009, the Company maintained the Scholastic Corporation Cash Balance Retirement Plan for substantially all of its employees based in the United States, including the Named Executive Officers (the "Retirement Plan"). Effective as of June 1, 2009, the Retirement Plan closed to new participants and accrual of future benefits under the Plan stopped. Accordingly, a participant's benefit does not consider pay earned and service credited after June 1, 2009. Interest on the account balances is accrued monthly based on the average rate for one-year United States Treasury Bills plus 1.0%. Participants in the Retirement Plan became fully vested in their accrued benefits upon completion of three years of service. Vested retirement benefits are payable in the form of a lump-sum or annuity payment upon retirement, termination, death or disability.

The Retirement Plan had been amended and restated to a cash balance plan effective June 1, 1999. All plan participants as of July 1, 1998 who were at least age 50 as of June 1, 1999 were given the option to remain under a modified version of the Retirement Plan's benefit formula used prior to such amendment and restatement (the "Prior Benefit Formula"). Effective June 1, 2009, accrual of future benefits under the Prior Benefit Formula also stopped. Accordingly, a participant's benefit does not consider pay earned and service credited after June 1, 2009. Mr. Robinson elected to continue participation under the Prior Benefit Formula, which, prior to June 1, 2009, provided covered participants with retirement benefits based upon career average compensation. Individual participant contributions are not required and the Company makes all required contributions. The Prior Benefit Formula provides for an annual benefit payable at retirement equal to, for each year of credited service, 1.5% of that portion of the participant's basic annual compensation up to $13,650, plus 2.0% of that portion of the participant's basic annual compensation in excess of $13,650. At July 1, 2014, Mr. Robinson had earned an estimated annual benefit payment using the Prior Benefit Formula of $74,474, which is net of the benefit transferred to his former spouse pursuant to a matrimonial agreement. In 2007, Mr. Robinson reached age 70.5, and, as required by law, on April 1, 2008 he began receiving the benefit he accrued through January 1, 2008 under the Retirement Plan.

The following table sets forth the years of credited service, the present value of benefits accumulated and any payments received during the last fiscal year by each of the Named Executive Officers under the Retirement Plan, in each case computed as of May 31, 2014, the same measurement date as used in the Consolidated Financial Statements included in the Annual Report.

PENSION BENEFITS

Name	Plan Name	**Number of Years of Credited Service (#)(1)**	**Present Value of Accumulated Benefit ($)(2)**	Payments During Last Fiscal Year ($)
Richard Robinson	Scholastic Corporation Cash Balance Retirement Plan	47	$ 599,301	$74,474 (3)
Maureen O'Connell	Scholastic Corporation Cash Balance Retirement Plan	2	$ 5,056	$0
Margery Mayer	Scholastic Corporation Cash Balance Retirement Plan	19	$ 102,964	$0
Judith Newman	Scholastic Corporation Cash Balance Retirement Plan	16	$ 91,705	$0
Alan J. Boyko	Scholastic Corporation Cash Balance Retirement Plan	21	$ 95,634	$0

(1) The valuation method and material assumptions used in determining pension benefits and obligations can be found in Note 1 of Notes to Consolidated Financial Statements included in Item 8, "Consolidated Financial Statements and Supplementary Data," in the Annual Report.

(2) Pay earned and service credited after June 1, 2009 will not be considered in determining the Named Executive Officer's benefit as the Retirement Plan was frozen as of that date.

(3) Mr. Robinson's benefits include $58,650 accumulated under the Prior Benefit Formula and $15,824 paid from an annuity issued by Liberty Mutual Insurance Company for participant benefits accrued under a prior retirement plan which terminated in May 1985.

The following table sets forth information about the contributions, if any, by the Named Executive Officers under nonqualified deferred compensation arrangements, which relate solely to the MSPP, during fiscal 2014 and the balances thereunder at May 31, 2014.

NONQUALIFIED DEFERRED COMPENSATION TABLE

Name	**Executive Contributions in the Last Fiscal Year ($)(1)**	**Aggregate Balance at Last Fiscal Year End ($)(2)**

Richard Robinson	$ 0	$1,918,060
Maureen O'Connell	$ 0	$386,545
Margery Mayer	$ 0	$7,747
Judith Newman	$ 0	$180,313
Alan J. Boyko	$ 0	$204,797

(1) No bonus was paid in fiscal 2013. Accordingly, there were no purchases of RSUs in fiscal 2014 under the MSPP.

(2) Represents the value of all RSUs held by the Named Executive Officer under the MSPP at May 31, 2014 and was calculated by multiplying the number of RSUs held by $31.88, the closing price of the Common Stock on NASDAQ on such date.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

The following discussion and tables describe and quantify the potential payments and benefits that would be provided to each of the Named Executive Officers in connection with a termination of employment or change-in-control under the Company’s compensation plans. Except where noted, the calculations of the potential payments to the Named Executive Officers reflect the assumption that the termination or change-in-control event occurred on May 31, 2014, with the closing price per share of the Common Stock on that date of $31.88. The calculations exclude payments and benefits to the extent that they do not discriminate in scope, terms or operation in favor of the Company’s executive officers and are available generally to all salaried employees of the Company. The calculations also do not include plan balances under the Retirement Plan applicable to the Named Executive Officers, which are provided in the Pension Benefits table above. Of the Named Executive Officers, as of May 31, 2014, Mr. Robinson, Ms. Mayer, Ms. Newman and Mr. Boyko were of retirement age for all of their option and restricted stock unit grants received under any of the Company’s equity-based plans, including the MSPP. Ms. O’Connell is not eligible for retirement under any of the Company’s equity plans. The Company generally does not enter into employment contracts with its executives and does not have a general severance policy applicable to all employees. Accordingly, except in the case of Ms. O’Connell, whose severance agreement is described on page 35 herein, the Named Executive Officers are entitled to benefits upon termination of their employment or a change-in-control only as provided for in respect of stock options and restricted stock units previously granted under the 1995 Plan, the 2001 Plan and the 2011 Plan (or, in the case of a portion of Mr. Robinson’s grants, under the Class A Plan) and previously purchased RSUs under the MSPP.

409A Limitations. In compliance with Code Section 409A, an executive who is a “specified employee” (one of the 50 most highly compensated employees of the Company) at the time of termination of employment may not receive a payment of any compensation that is determined to be subject to Code Section 409A until six months after his or her departure from the Company (including, but not limited to, certain benefit payments on voluntary or involuntary termination and 409A deferred compensation plan benefits).

Change-in-control. None of the MSPP, the 1995 Plan, the 2001 Plan, the 2011 Plan or the Class A Plan contains provisions that automatically change the terms of any award or accelerates the vesting of any unvested restricted stock unit or stock option upon a change-in-control. However, each of these plans has various provisions that would permit the Board committee responsible for administering such plan to amend, change or terminate the plan and/or the terms of the awards made under the plan or otherwise provide for the (i) acceleration of vesting of restricted stock units, (ii) acceleration of vesting of stock options and/or (iii) conversion of restricted stock units to stock. Because the HRCC (which administers each of these plans) has this power and may, in its discretion, choose to exercise such power in connection with a change-in-control or similar event (such as a merger or consolidation in which the Company is not the surviving entity or the acquisition of the

Company's Common Stock by a single person or group), the Company has presented information in the table on page 34 below regarding potential pay-outs to the Named Executive Officers upon a change-in-control based on the assumption that the HRCC would use its authority to accelerate vesting of restricted stock units and stock options and convert restricted stock units to shares under these plans effective upon a change-in-control of the Company.

MSPP Plan

As described in "Compensation Discussion and Analysis-Other Equity-Based Incentives" above, eligible members of senior management, including the Named Executive Officers, may defer receipt of all or a portion of their annual cash bonus payments, received under the MIP or EPIP, through the purchase of RSUs under the MSPP. The following table describes the payment provisions for RSUs under the terms of the MSPP upon a termination of employment of an executive participating in the MSPP.

Status of RSU	Voluntary Termination or Termination for Cause	Involuntary Termination	**Normal Retirement**[(1)]	Death or Disability
Vested RSUs	RSUs convert into stock.	RSUs convert into stock.	RSUs convert into stock.	RSUs convert into stock.
Unvested RSUs	RSUs are forfeited and participant receives cash equal to the lesser of the fair market value of the underlying stock or the purchase price of the unvested RSUs.	RSUs are forfeited and participant receives a partial payment in stock and cash. The amount of stock is equal to a percentage of RSUs, with the number of full years of employment since purchase as the numerator and 3 as the denominator, and the remainder is paid in cash at the lesser of the purchase price of the unvested RSUs or the fair market value of the number of shares underlying the unvested RSUs on the date of termination	Vesting is accelerated and RSUs convert into stock.	Vesting is accelerated and RSUs convert into stock.

(1) Under the terms of the MSPP, for all RSUs purchased prior to September 21, 2011, the definition of normal retirement is age 55 or older and for all RSUs purchased after September 21, 2011, the definition of normal retirement is age 55 or older plus 10 years of employment.

Equity Incentives

As described in "Compensation Discussion and Analysis-Options to Purchase Common Stock and Restricted Stock Units" above, the Company has granted to its Named Executive Officers, with the exception of Mr. Robinson who has received only stock options, a combination of stock options and restricted stock units as part of its long-term compensation program.

The following table illustrates the payment provisions upon a termination of employment for stock options and restricted stock units under the 1995 Plan, the 2001 Plan and the 2011 Plan in effect at May 31, 2014.

Type of equity	Voluntary Termination	Termination for Cause	Involuntary Termination	Normal Retirement	Death or Disability
Non-qualified stock options granted under the 1995 Plan and before July 21, 2009 under the 2001 Plan.	Unvested options are forfeited. Participant has 90 days to exercise vested options.	All options expire as of the date of termination.	Unvested options are forfeited. Participant has 90 days to exercise vested options.	Unvested options are forfeited. Participant has 3 years to exercise vested options. Retirement defined as age 55 or older.	Vesting accelerates. Participant or his estate has one year to exercise vested options.
Non-qualified stock options granted on or after July 21, 2009 under the 2001 Plan and non-qualified stock options granted under the 2011 Plan.	Unvested options are forfeited. Participant has 90 days to exercise vested options.	All options expire as of the date of termination.	Unvested options are forfeited. Participant has 90 days to exercise vested options.	Unvested options continue to vest. Participant has 3 years from the date of retirement to exercise vested options. Retirement defined as age 55 or older and 10 years employment.	Vesting accelerates. Participant or his estate has one year to exercise vested options.
Restricted Stock Units (RSUs) granted before July 21, 2009 under the 2001 Plan.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Vesting is accelerated and RSUs convert into stock.	Vesting is accelerated and RSUs convert into stock. Retirement defined as age 55 or older.	Vesting is accelerated and RSUs convert into stock.
RSUs granted on or after July 21, 2009 under the 2001 Plan.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	RSUs continue to vest for a period of 3 years. Retirement defined as age 55 or older and 10 years employment.	Vesting is accelerated and RSUs convert into stock.
RSUs granted prior to March 22, 2012 under the 2011 Plan.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Vesting is accelerated and RSUs convert into stock. Retirement defined as age 55 or older and 10 years employment.	Vesting is accelerated and RSUs convert into stock.
RSUs granted under the 2011 Plan on or after March 22, 2012.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Unvested RSUs are forfeited.	Vesting is accelerated and RSUs convert into stock for all RSUs granted more than one year before the date of retirement. Retirement defined as age 55 or older and 10 years employment.	Vesting is accelerated and RSUs convert into stock.

The following table illustrates the payment provisions upon a termination of employment for stock options under the Class A Plan.

Type of equity	Voluntary Termination or Termination for Cause	Involuntary Termination	Normal Retirement	Death or Disability
Non-qualified stock options	Unvested options are forfeited. Participant has 90 days to exercise vested options.	Unvested options are forfeited. Participant has 90 days to exercise vested options.	Unvested options are forfeited. Participant has three years to exercise vested options.	Vesting of options accelerates. Participant or his estate has one year to exercise vested options.

The table below shows the aggregate amount of potential payments that each Named Executive Officer (or his or her beneficiary or estate) would have been entitled to receive if his or her employment had terminated, or, as noted under “Change-in-control” on page 30 above, is assumed to receive if a change-in-control had occurred, on May 31, 2014 under the MSPP, the 2001 Plan, the 2011 Plan and, in the case of a portion of Mr. Robinson’s outstanding stock options, the Class A Plan. The amounts shown assume that termination or the change-in-control was effective as of May 31, 2014, and include amounts earned through such time and estimates of the amounts which could otherwise have been paid out to the Named Executive Officers at that time. The actual amounts which would be paid out can only be determined at the time of each Named Executive Officer’s separation from the Company or at the time of a change-in-control. Annual bonuses are discretionary and are therefore omitted from the table, except in the case of Ms. O’Connell, and no amounts are reflected in respect of the 1995 Plan as the stock options remaining outstanding thereunder had no value at May 31, 2014 based on the exercise prices thereunder. As previously indicated, the calculations also do not include plan balances under the Retirement Plan applicable to the Named Executive Officers, which are provided in the Pension Benefits table above.

Name	Voluntary Termination ($)	Termination for Cause ($)	Involuntary (Not for Cause) Termination ($)	Normal Retirement ($)	Death/ Disability ($)	**Change-in-Control[6] ($)**
Richard Robinson						
MSPP[1]	$ 1,156,015	$ 1,156,015	$ 1,484,845	$ 1,918,060	$ 1,918,060	$ 1,918,060
Class A Plan stock options[2]	$ 2,382,770	$ 0	$ 2,382,770	$ 2,382,770	$ 2,382,770	$ 2,382,770
2001 Plan stock options[2]	$ 2,328,125	$ 0	$ 2,328,125	$ 2,895,000	$ 2,895,000	$ 2,895,000
2011 Plan stock options[2]	$ 414,718	$ 0	$ 414,718	$ 1,084,382	$ 1,169,366	$ 1,169,366
Total	$ 6,281,628	$ 1,156,015	$ 6,610,458	$ 8,280,212	$ 8,365,196	$ 8,365,196
Maureen O’Connell						
MSPP[1,5]	$ 235,595	$ 235,595	$ 386,545	N/A	$ 386,545	$ 386,545
2001 Plan restricted stock units[3,5]	$ 0	$ 0	$ 95,640	N/A	$ 95,640	$ 95,640
2001 Plan stock options[2,5]	$ 54,420	$ 0	$ 108,840	N/A	$ 108,840	$ 108,840
2011 Plan restricted stock units[4,5]	$ 0	$ 0	$ 442,494	N/A		