

SCHOLASTIC CORP
Form DEF 14A
August 06, 2013

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
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))
 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):

No fee required.

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- 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:
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- 1) Amount previously paid:
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 - 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 18, 2013, 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. Approval of the Scholastic Corporation 2013 Executive Performance 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 26, 2013 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, 2013

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**Important Notice Regarding Availability of Proxy Materials
for the 2013 Annual Meeting of Stockholders to Be Held on September 18, 2013**

**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 18, 2013**

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 18, 2013, 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 2013 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, 2013 (the “Annual Report”), are being mailed to those stockholders who are not receiving the notice concerning Internet availability on or about August 7, 2013.

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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 the approval of the Scholastic Corporation 2013 Executive Performance Incentive Plan.

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.

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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 26, 2013 (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 30,199,971 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 proposal 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 action to be taken under the other proposal 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 %	6,391,676 ⁽³⁾	18.9 %
Barbara Robinson Buckland c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,495,712	8.1 %
Mary Sue Robinson Morrill c/o Scholastic Corporation 557 Broadway New York, NY 10012	765,296	46.2 %	3,132,063 ⁽⁴⁾	10.1 %
William W. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,585,265 ⁽⁵⁾	8.4 %

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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
Florence Robinson Ford c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,473,457	8.0 %
Andrew S. Hedden c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2%	2,451,258 (6)	7.9 %
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	7.6 %
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	—	—	1,578,785 (7)	5.2 %
Blackrock, Inc. 40 East 52nd Street New York, NY 10022	—	—	1,891,521 (8)	6.3 %
Royce & Associates 745 Fifth Avenue New York, NY 10151	—	—	3,234,699 (9)	10.7%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	—	—	2,607,344 (10)	8.6 %
Fairpointe Capital 1 N. Franklin Ste. 3300 Chicago, IL 60606	—	—	1,666,448 (11)	5.5 %

(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 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

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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).

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—3,593,288 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—164,000 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Mary Sue Robinson Morrill—3,132,063 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—119,546 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).

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; 621,267 shares of Common Stock held directly by Mr. Robinson; 437,500 shares of Common Stock under options exercisable by Mr. Robinson within 60 days of the Record Date, including 187,500 options that are in a grantor retained annuity trust for the benefit of Mr. Robinson; 9,466 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; 33,316 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for his two sons; 27,191 shares of Common Stock owned by the Richard Robinson Charitable Fund; and 74,644 unvested RSUs scheduled to vest within 60 days of the Record Date under the Management Stock Purchase Plan (the “MSPP”). Does not include an additional 60,165 unvested RSUs under the MSPP. The 621,267 shares held directly by Mr. Robinson are pledged to a bank as collateral for a personal loan.

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.

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.

Includes 11,575 shares of Common Stock held directly by Mr. Hedden; 86,247 shares under options exercisable by Mr. Hedden within 60 days of the Record Date under the Scholastic Corporation 2001 Stock Incentive Plan (the “2001 Plan”) and the Scholastic Corporation 2011 Stock Incentive Plan (the “2011 Plan”); 1,250 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan; 20,474 RSUs scheduled to vest within 60 days of the

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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 18,299

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unvested RSUs under the MSPP, 1,250 unvested RSUs under the 2001 Plan and 5,589 unvested RSUs under the 2011 Plan.

The information for T. Rowe Price Associates, Inc. (“Price Associates”) is derived from a Schedule 13G, dated February 14, 2013, filed with the SEC reporting beneficial ownership as of December 31, 2012. These shares are owned by various individual and institutional investors, as to which Price Associates serves as investment adviser (7) with the sole power to direct investments with regard to all such shares and the sole power to vote 206,640 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.

The information for Blackrock, Inc. (“Blackrock”) is derived from a Schedule 13G, dated February 4, 2013, filed with the SEC reporting beneficial ownership as of December 31, 2012. Blackrock has the sole power to vote or (8) direct investments with regard to all 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.

The information for Royce & Associates LLC (“Royce”) is derived from a Schedule 13G, dated February 5, 2013, (9) filed with the SEC reporting beneficial ownership as of December 31, 2012. Royce has the sole power to vote or 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.

The information for Dimensional Fund Advisors LP (“Dimensional Fund”) is derived from a Schedule 13G, dated February 8, 2013, filed with the SEC reporting beneficial ownership as of December 31, 2012. 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 (10) 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 vote and direct investments with regard to all such shares. 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.

The information for Fairpointe Capital LLC (“Fairpointe”) is derived from a Schedule 13G, dated February 13, 2013, (11) filed with the SEC reporting beneficial ownership as of December 31, 2012. Fairpointe has the sole power to vote or direct investments with regard to 34,778 of such shares and the shared power to vote or direct investments with regard to 1,631,670 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.

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

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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 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, 2013, 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, with the exception of Mr. Hedden and Ms. Mayer, who filed Form 4s in connection with the netting of shares to cover taxes on the vesting of restricted stock units one day after the due date as a result of an internal error.

Share Ownership of Management

On the Record Date, each director, each 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		Common Stock	
	Amount and Nature of Beneficial Ownership (1)	Percent of Class	Amount and Nature of Beneficial Ownership (1)	Percent of Class
Directors				
Richard Robinson	3,155,200 ⁽²⁾	100%	6,391,676 ⁽³⁾	18.9%
James W. Barge	—	—	25,274	⁽⁴⁾ *
Marianne Caponnetto	—	—	12,674	⁽⁵⁾ *
John L. Davies	—	—	49,274	⁽⁶⁾ *
Andrew S. Hedden	648,620	⁽²⁾ 39.2%	2,451,258 ⁽⁷⁾	7.9%
Mae C. Jemison	—	—	41,878	⁽⁸⁾ *
Peter M. Mayer	—	—	63,524	⁽⁹⁾ *
John G. McDonald	—	—	50,278	⁽¹⁰⁾ *
Augustus K. Oliver	—	—	54,548	⁽¹¹⁾ *
Richard M. Spaulding	—	—	162,632	⁽¹²⁾ *
Margaret A. Williams	—	—	12,674	⁽⁵⁾ *
Named Executive Officers				
Richard Robinson	3,155,200 ⁽²⁾	100%	6,391,676 ⁽³⁾	18.9%
Maureen O’Connell	—	—	267,748	⁽¹³⁾ 1.0%
Margery Mayer	—	—	149,733	⁽¹⁴⁾ *
Judith Newman	—	—	150,236	⁽¹⁵⁾ *
Andrew S. Hedden	648,620	⁽²⁾ 39.2%	2,451,258 ⁽⁷⁾	7.9%
All directors and executive officers as a group (15 persons)	3,155,200 ⁽²⁾	100%	7,636,173 ⁽¹⁶⁾	21.9%

* Less than 1.0%

⁽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 6,000 shares of Common Stock held directly by Mr. Barge, and 18,017 shares of Common Stock under options exercisable by Mr. Barge within 60 days of the Record Date and 1,257 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (the “2007 Plan”).

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Includes 2,400 shares held directly by such director, and 9,017 shares of Common Stock under options exercisable
(5) by such director within 60 days of the Record Date and 1,257 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

Includes 6,000 shares of Common Stock held directly by Mr. Davies, and 42,017 shares of Common Stock under
(6) options exercisable by Mr. Davies within 60 days of the Record Date and 1,257 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.

Includes 4,604 shares of Common Stock held directly by Dr. Jemison, and 36,017 shares of Common Stock under
(8) options exercisable by Dr. Jemison within 60 days of the Record Date and 1,257 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

Includes 20,250 shares of Common Stock held directly by Mr. Mayer, and 42,017 shares under options exercisable
(9) by Mr. Mayer within 60 days of the Record Date and 1,257 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

Includes 7,004 shares of Common Stock held directly by Mr. McDonald, and 42,017 shares under options
(10) exercisable by Mr. McDonald within 60 days of the Record Date and 1,257 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

Includes 11,274 shares of Common Stock held directly by Mr. Oliver, and 42,017 shares of Common Stock under
(11) options exercisable by Mr. Oliver within 60 days of the Record Date and 1,257 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan

Includes 143,358 shares of Common Stock held directly by Mr. Spaulding, and 18,017 shares under options
(12) exercisable by Mr. Spaulding within 60 days of the Record Date and 1,257 RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

Includes 31,845 shares of Common Stock held directly by Ms. O’Connell, 25 shares of Common Stock owned by
Ms. O’Connell’s minor son, 221,959 shares of Common Stock under options exercisable by Ms. O’Connell within 60
(13) days of the Record Date and 3,000 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan and 10,919 RSUs vested or scheduled to vest within 60 days of the Record Date under the Scholastic Corporation Management Stock Purchase Plan (“MSPP”). Does not include an additional 13,380 unvested RSUs under the MSPP, 3,000 unvested RSUs under the 2001 Plan and 10,380 unvested RSUs under the 2011 Plan.

(14) Includes 42,550 shares of Common Stock held directly by Ms. Mayer, 103,747 shares under options exercisable by Ms. Mayer within 60 days of the Record Date and 2,000 RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan and 1,436 RSUs vested or scheduled to vest within 60 days of the Record Date under the MSPP. Does not include an additional 243 unvested RSUs under the MSPP, 2,000 unvested RSUs under the 2001

Plan and 5,589 unvested RSUs under the 2011 Plan.

(15) Includes 22,093 shares of Common Stock held directly by Ms. Newman, 116,547 shares under options exercisable by Ms. Newman within 60 days of the Record Date and 7,700 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan, 2,000 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan and 1,896 RSUs vested or scheduled to vest within 60 days of the Record Date held under the MSPP. Does not include an additional 5,257 unvested RSUs under the MSPP, 2,000 unvested RSUs under the 2001 Plan and 5,589 unvested RSUs under the 2011 Plan.

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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; 33,316 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for his two sons and 27,191 shares owned by the Richard Robinson Charitable Fund. Also includes an aggregate of 947,856 shares of Common Stock held directly and 25 shares beneficially owned by all directors and executive officers as a group; an aggregate of 1,285,320⁽¹⁶⁾ shares of Common Stock under options exercisable by members of the group within 60 days of the Record Date and an aggregate of 28,513 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2001 Plan; an aggregate of 112,660 shares underlying RSUs vested or scheduled to vest within 60 days of the Record Date under the MSPP; and an aggregate of 13,000 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 102,513 unvested RSUs under the MSPP, an aggregate of 9,250 unvested RSUs under the 2001 Plan and an aggregate of 35,736 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 2013 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, 2013.

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

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 a compensation system that fosters the short-term and long-term goals of the Company and its stockholders.

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 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 and education industries for comparative purposes. The companies included in the compensation peer group are selected based upon several criteria, including size of company by revenues, relevant industry and other factors.

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, Meredith Corporation, Pearson plc, Reed Elsevier plc, E. W. Scripps Company, The Washington Post Company and John Wiley & Sons, Inc. 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 table provides a brief overview of each of the elements of compensation. A more detailed description of each compensation element follows this table.

Compensation Element	Objective	Key Features
Fixed		
<i>Base Salary</i>	To establish a fixed level of compensation <ul style="list-style-type: none"> 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.
Variable		
<i>Annual Performance-Based Cash Bonus Awards</i>	To provide a reward based upon the achievement of the <ul style="list-style-type: none"> 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.
<i>Long-Term Incentive Compensation</i>	<ul style="list-style-type: none"> To align the long-term interests of the executives and the Company's stockholders 	<ul style="list-style-type: none"> 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 executives
 - 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, 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. 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. In May 2012, the HRCC's independent compensation consultant conducted a review of market comparisons. No market adjustments to base salary for fiscal 2013 were recommended as a result of this review. However, a base salary adjustment of \$9,500 was made for one Named Executive Officer, Ms. Newman, to compensate her for the discontinuance, commencing in January 2013, of an automobile maintenance allowance which had previously been provided to her. In May 2013, a further review of market comparisons was conducted by such compensation consultant in preparation for the fiscal 2014 annual salary review, which review, including any salary recommendations for the Named Executive Officers for fiscal 2014, will be conducted and considered by the HRCC at its September 2013 meeting.

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 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

2013, to primarily encourage and reward the achievement of Company-wide goals. In the context of the Company's key financial and operating goals for fiscal 2014, the emphasis for the annual bonus awards will continue to be focused on overall Company performance, as well as group performance if targets are exceeded, as further described below under "EPIP Revisions and Fiscal 2014 Targets."

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 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 2013 Targets

On July 17, 2012, the HRCC set the fiscal 2013 annual EPIP bonus targets for the Named Executive Officers, primarily based on Company-wide goals, focusing on the objective of meeting the Company's fiscal 2013 operating plan, in particular the Operating Income target. The EPIP provided for a corporate bonus pool to be funded based upon the achievement of the Corporate Operating Income target, and the bonuses for all of the Named Executive Officers under the EPIP were to be solely based on achievement of that corporate metric up to the maximum bonus opportunity. 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 one-time charges. Discontinued operations are not included for this purpose. In the event that the Corporate Operating Income target was achieved, Named Executive Officers were able to earn between 100% and 150% of target based on corporate or business unit or segment operating profit, as relevant to the particular Named Executive Officer.

Bonus Potentials and Payouts for Fiscal 2013

For each of the Named Executive Officers, individual EPIP bonus potentials for fiscal 2013 were dependent upon the achievement of Company or business unit or segment targets as indicated in the table below, with the potential bonus payout for each executive ranging from 0% to 150% of the target bonus amount.

Funding Metrics	Corporate Operating Income less than or equal to target		Corporate Operating Income greater than target		
	Corporate Operating Income	Division Operating Profit	Corporate Operating Income	Group/Division Operating Profit	Division Operating Profit Relative Contributions
Named Executive Officers (Children's Book Group)	100%	0%	0%	70% (Overall Children's Book Group Operating Profit)	30%
Named Executive Officers (Business)	100%	0%	0%	N/A	100%
Named Executive Officers (Staff)	100%	0%	100%	N/A	0%

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 2013 target bonus amounts were increased for certain of the Named Executive Officers to increase the percentage of at risk target compensation. Mr. Robinson's target bonus was increased from 120% to 125% of base salary. Ms. O'Connell's target bonus was increased from 90% to 95% of base salary. Mr. Hedden's target bonus was increased from 70% to 75% of base salary. Target bonuses for Ms. Mayer and Ms. Newman were increased from 60% to 65% of base salary.

For fiscal 2013, the Company did not meet the Corporate Operating Income target, and accordingly, the threshold for bonus payout was not achieved and none of the Named Executive Officers received a bonus in respect of fiscal 2013 under the EPIP.

Special Incentive Bonus for Fiscal 2013

The HRCC separately approved a special incentive bonus for Maureen O'Connell in the amount of \$450,000, for her successfully achieving targeted results in directing a significant company-wide cost cutting initiative.

EPIP Revisions and Fiscal 2014 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 2014, 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 2014 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 maximum bonus opportunity. Assuming the Corporate Operating Income target is met for fiscal 2014, the portion of the corporate bonus pool resulting from any performance above target will then be proportionally divided based on Corporate Operating Profit and, for certain of the Named Executive Officers, the Division or Group Operating Profit 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 calls, legal or tax settlements, changes to accounting policies or impaired assets). Achievement of Group Operating Profit for those of the Named Executive Officers in the Children's Book Group or Education Group, as well as other senior management in such Groups, will be based on Group Operating Profit.

Funding Metrics	Corporate Operating Income less than or equal to target		Corporate Operating Income greater than target	
	Corporate Group Operating Income	Corporate Group Operating Income	Corporate Group Operating Income	Corporate Group Operating Income
Participants				
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 is exceeded, for fiscal 2014 the bonus pool may 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 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.

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 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 (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 appropriate 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. The HRCC is considering the addition of performance based restricted stock units where appropriate going forward; however, such performance based units are unlikely to be introduced during fiscal 2014.

Options to Purchase Common Stock and Restricted Stock Units

During fiscal 2013, the HRCC only granted equity-based awards to fulfill contractual obligations or agreements relating to a small number of newly-hired employees. 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. Also, through vesting and forfeiture provisions, both stock options and restricted stock units create incentives for executive officers and senior management not yet eligible for retirement to remain with the Company. 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 time-based restricted stock units is generally in four equal annual installments beginning with the first anniversary of the date of grant.

During fiscal 2013, the HRCC determined that, other than to fulfill agreements with respect to newly-hired employees, it would defer making customary equity grants to other key employees, including the Named Executive Officers and other executive officers and members of senior management.

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.

In August 2010, Mr. Robinson was granted options under the 2001 Plan to purchase 250,000 shares of Common Stock, at the same time as the long-term incentive grants were also awarded to other executive officers and senior management for fiscal 2011. For fiscal 2012, in October 2011 Mr. Robinson was granted options under the 2011 Plan to purchase 224,152 shares of Common Stock, 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 2013 is set forth in the “Outstanding Equity Awards at May 31, 2013” 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. Of the Named Executive Officers, only Mr. Hedden participated in the ESPP during fiscal 2013.

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 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 was paid. During fiscal 2013, four of the Named Executive Officers used a portion of their fiscal 2012 bonuses to purchase restricted stock units under the MSPP on September 4, 2012. For fiscal 2014, none of the Named Executive Officers participating in the MSPP received an eligible fiscal 2013 bonus for purposes of purchasing restricted stock units under the MSPP.

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 2013 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 in 2014, following the conclusion of the 2014 fiscal year. The HRCC intends

to consider the results of future votes 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 constitute qualified performance-based compensation and income realized upon the exercise of such stock options is 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 meet the requirements of qualified performance-based compensation and are 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 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 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). For fiscal 2013, none of the Named Executive Officers received restricted stock units or a bonus from the MIP discretionary pool; however, the supplemental bonus approved for one of the Named Executive Officers in respect of fiscal 2013, as previously described, did not constitute qualified performance-based compensation for purposes of 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, 2013, May 31, 2012 and May 31, 2011 as indicated below.

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 Compensation ⁽⁷⁾ (\$)	Total (\$)
Richard Robinson Chairman of the Board, Chief Executive Officer and President	2013	\$1,007,308 ⁽¹⁾	\$0	\$0	\$0	\$0	\$55,393	\$517,101	\$1,579,802
	2012	\$933,461	\$0	\$0	\$2,300,005	\$1,746,000	\$88,553	\$222,498	\$5,290,517
	2011	\$870,000	\$350,000	\$0	\$2,195,000	\$283,024	\$21,231	\$538,995	\$4,258,250
Maureen O'Connell Executive Vice President, Chief Administrative Officer and Chief Financial Officer	2013	\$778,847 ⁽¹⁾	\$450,000 ⁽²⁾	\$0	\$0	\$0	\$313	\$132,041	\$1,361,201
	2012	\$731,731	\$0	\$390,011	\$259,998	\$1,012,500	\$109	\$37,565	\$2,431,914
	2011	\$700,000	\$535,000	\$273,720	\$172,560	\$165,615	\$99	\$83,804	\$1,930,798
Margery Mayer Executive Vice President and President, Scholastic Education	2013	\$690,577 ⁽¹⁾	\$0	\$0	\$0	\$0	\$3,448	\$21,101	\$715,126
	2012	\$647,827	\$0	\$209,997	\$139,997	\$598,500	\$2,628	\$21,066	\$1,620,015
	2011	\$618,000	\$215,000	\$182,480	\$230,080	\$86,657	\$2,341	\$23,932	\$1,358,490
Judith Newman Executive Vice President and President, Scholastic Book Clubs and E-Commerce	2013	\$694,451 ⁽¹⁾	\$0	\$0	\$0	\$0	\$4,966	\$88,843	\$788,260
	2012	\$651,544	\$0	\$209,997	\$139,997	\$518,700	\$2,236	\$35,517	\$1,557,991
	2011	\$626,437	\$150,000	\$182,480	\$115,040	\$0	\$2,023	\$36,438	\$1,112,418
	2013	\$623,077 ⁽¹⁾	\$0	\$0	\$0	\$0	\$0	\$172,700	\$795,777

Andrew S. Hedden Executive Vice President, General Counsel and Secretary	2012	\$572,596	\$0	\$209,997	\$139,997	\$630,000	\$0	\$33,889	\$1,586,479
	2011	\$525,000	\$100,000	\$114,050	\$71,900	\$83,013	\$0	\$134,919	\$1,028,882

(1) For the fiscal year June 1, 2012 through May 31, 2013, there were 27 instead of the usual 26 pay periods.

(2) As described on page 16 above, 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. 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 2013, 2012 or 2011 for the Named Executive Officers. There were no grants of restricted stock units to any of the Named Executive Officers during fiscal 2013.

(3) 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 2013, 2012 or 2011 for the Named Executive Officers. There were no grants of stock options to any of the Named Executive Officers during fiscal 2013.

(4) 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 2013, Mr. Robinson, Ms. O'Connell, Ms. Mayer, Ms. Newman and Mr. Hedden had elected to invest 50%, 15%, 0%, 10% and 25%, 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, Ms. Newman and Mr. Hedden had elected to invest 50%, 20%, 0%, 20% and 50%, respectively, of his or her fiscal 2012 bonus for the purchase of RSUs, which occurred on September 4, 2012. For fiscal 2011, Mr. Robinson, Ms. O'Connell, Ms. Mayer, Ms. Newman

and Mr. Hedden had elected to invest 100%, 20%, 5%, 0% and 50%, respectively, of his or her fiscal 2011 bonus for the purchase of RSUs, which occurred on September 1, 2011.

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 (6) fiscal 2013, fiscal 2012 and fiscal 2011. Mr. Hedden joined the Company on December 1, 2008, and is not eligible to participate in the Company's Cash Balance Retirement Plan, which was frozen to new participants on June 1, 2009.

(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	2013	\$ 7,800	\$ 213	\$427,426	\$ 81,662	\$ 0	\$517,101
	2012	\$ 7,350	\$ 240	\$136,099	\$ 78,809	\$ 0	\$222,498
	2011	\$ 7,350	\$ 258	\$453,089	\$ 78,298	\$ 0	\$538,995
Maureen O'Connell	2013	\$ 7,846	\$ 425	\$99,141	\$ 0	\$ 24,629	\$132,041
	2012	\$ 7,096	\$ 480	\$15,920	\$ 0	\$ 14,069	\$37,565
	2011	\$ 7,173	\$ 515	\$66,278	\$ 0	\$ 9,838	\$83,804
Margery Mayer	2013	\$ 7,749	\$ 425	\$0	\$ 0	\$ 12,927	\$21,101
	2012	\$ 7,350	\$ 480	\$2,078	\$ 0	\$ 11,158	\$21,066
	2011	\$ 6,125	\$ 515	\$8,717	\$ 0	\$ 8,575	\$23,932
Judith Newman	2013	\$ 7,835	\$ 425	\$50,783	\$ 18,752	\$ 11,048	\$88,843
	2012	\$ 7,099	\$ 480	\$0	\$ 17,017	\$ 10,921	\$35,517
	2011	\$ 7,166	\$ 515	\$0	\$ 16,381	\$ 12,376	\$36,438
Andrew S. Hedden	2013	\$ 7,596	\$ 213	\$154,222	\$ 0	\$ 10,669	\$172,700
	2012	\$ 7,822	\$ 240	\$19,956	\$ 0	\$ 5,871	\$33,889
	2011	\$ 7,139	\$ 415	\$124,277	\$ 0	\$ 3,088	\$134,919

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. The compensation cost is computed using the grant date fair values (1) for fiscal 2013, 2012 and 2011 under FASB ASC Topic 718 of \$9.66, \$8.55 and \$6.07, 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, \$74,928, \$72,495 and \$70,933 of the amounts shown for fiscal 2013, 2012 and 2011, respectively, represents a portion of the compensation of certain employees who perform administrative services for Mr. Robinson personally from time to time, \$6,734, \$5,200 and \$5,362 represents club membership dues used partially for personal use for fiscal 2013, 2012 and 2011, respectively, and \$0, \$952, and \$2,156 for fiscal 2013,

2012 and 2011, respectively, represents fees paid by the Company for executive physicals. For Ms. Newman, the amounts shown for fiscal 2013, 2012 and 2011 represent payments made by the Company for personal use of a company-provided automobile, which is no longer being provided commencing in January 2013, based on information provided by her.

In fiscal 2013, the Company made four dividend payments at \$.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. In fiscal 2011, 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 \$.075 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.

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OUTSTANDING EQUITY AWARDS AT MAY 31, 2013

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, 2013.

Name	Grant Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date	Stock Awards
		Number of Securities Underlying Unexercised Options ⁽¹⁾ (#) Exercisable	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#) Unexercisable			Number of Market 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	187,500	62,500	\$ 19.33	7/22/2019	
	8/27/2010	125,000	125,000	\$ 22.81	8/27/2020	
	10/7/2011	56,043	168,129	\$ 28.18	10/7/2021	
Maureen O'Connell	3/20/2007	100,000		\$ 34.85	3/20/2017	

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