SCHOLASTIC CORP
Form DEF 14A
August 09, 2016

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 §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.
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 21, 2016 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 seven directors to the Board of Directors

Matters to be voted upon by holders of the Common Stock

1. Electing two 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 29, 2016 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 9, 2016

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Important Notice Regarding Availability of Proxy Materials

for the 2016 Annual Meeting of Stockholders to Be Held on September 21, 2016

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 21, 2016

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 21, 2016, 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 2016 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, free of charge, 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, 2016 (the "Annual Report"), are being mailed to those stockholders who are not receiving the notice concerning Internet availability on or about August 9, 2016.

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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.

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.

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.

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 29, 2016 (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 32,749,631 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 (3) nor more than fifteen (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 seven members of the Board and the holders of Common Stock will vote on the election of two members of the Board. 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 is specified in the description of 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 two 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 Amount and Nature of Beneficial Ownership[1]	Class A Stock Percent of Class	Common Stock Amount and Nature of Beneficial Ownership[2]	Common Stock Percent of Class
Richard Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	2,156,200	100 %	5,594,765[3]	15.7 %
Barbara Robinson Buckland c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,481,712	7.4 %
Mary Sue Robinson Morrill c/o Scholastic Corporation 557 Broadway New York, NY 10012	765,296	46.2 %	3,103,568[4]	9.3 %
William W. Robinson c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,505,761[5]	7.5 %
Florence Robinson Ford c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,463,362	7.4 %
Andrew S. Hedden c/o Scholastic Corporation 557 Broadway New York, NY 10012	648,620	39.2 %	2,448,469[6]	7.3 %
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	7.2 %

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	—	—		3,690,342 (7)	11.2	%

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
Blackrock, Inc. 55 East 52nd Street New York, NY 10055	—	—	2,490,516[8]	7.6 %
Royce & Associates LLC 745 Fifth Avenue New York, NY 10151	—	—	2,211,500[9]	6.8 %
Dimensional Fund Advisors LP Building One 6300 Bee Cave Road Austin, TX 78746	—	—	2,756,413[10]	8.4 %
Fairpointe Capital LLC One North Franklin Ste. 3300 Chicago, IL 60606	—	—	2,036,842[11]	6.2 %
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	—	—	1,836,122[12]	5.6 %

(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 available to the Company, the aggregate beneficial ownership of the Class A Stock on the Record Date by the following persons was: Richard Robinson—1,390,904 shares (sole voting and investment power), which includes 500,000 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 500,000 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—2,796,377 shares (sole voting and investment power), which includes the 500,000 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—150,000 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Mary Sue Robinson Morrill — 3,103,568 shares (shared voting

and investment power); William W. Robinson—164,049 shares (sole voting and investment power) and 2,341,712 shares (shared voting and investment power); Florence Robinson Ford—131,650 shares (sole voting and investment power) and 2,331,712 shares (shared voting and investment power); Andrew S. Hedden—116,757 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 2,156,200 shares of Common Stock issuable on conversion of the Class A Stock (including the 500,000 shares issuable under the Class A Options) described in Notes 1 and 2 above; 541,748 shares of Common Stock held directly by Mr. Robinson; 100,000 shares held in the RR 2014 Revocable Trust; 499,120 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"); 151,832 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"); 11,352 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; 48,430 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial account for his two sons and 52,991 shares of Common Stock owned by the Richard Robinson Charitable Fund. Does not include an additional 82,701 unvested RSUs under the Scholastic Corporation Management Stock Purchase Plan (the "MSPP"). The 541,748 shares held directly by Mr. Robinson are pledged to a bank as collateral for a personal loan.

(4) Does not include an aggregate of 203,608 shares of Common Stock held under Trusts for which Ms. Morrill's spouse is the trustee, 2,350 shares held by her daughter-in-law, 25 shares held by her son and 97,275 shares in an insurance trust for which neither Ms. Morrill nor her spouse are trustees, as to which Ms. Morrill disclaims beneficial ownership.

(5) Does not include 16,550 shares of Common Stock held under trusts for Mr. William Robinson's children where his former spouse is a trustee, as to which Mr. Robinson disclaims beneficial ownership.

(6) Includes 12,743 shares of Common Stock held directly by Mr. Hedden; 2,000 shares held in an IRA; 47,045 shares under options exercisable within 60 days of the Record Date under the 2011 Plan; 50,000 shares under options exercisable within 60 days of the Record Date under the 2001 Plan; 4,969 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan; 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 7,673 unvested RSUs under the MSPP and 9,670 unvested RSUs under the 2011 Plan.

(7) The information for T. Rowe Price Associates, Inc. ("Price Associates") is derived from a Schedule 13G Amendment filed on behalf of Price Associates and the T Rowe Price Mid-Cap Value Fund, Inc. (the "Mid-Cap Value Fund"), dated February 16, 2016, filed with the SEC reporting beneficial ownership on behalf of both Price Associates and the Mid-Cap Value Fund as of December 31, 2015. These shares are owned by various individual and institutional investors, as to which Price Associates serves as investment adviser and Price Associates holds 3,690,342 shares, with sole dispositive power over all such shares and sole voting power over 749,823 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 22, 2016, filed with the SEC reporting beneficial ownership as of December 31, 2015. Blackrock has the sole power to direct investments with regard to 2,490,516 shares and the sole power to vote 2,427,334 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 26, 2016 filed with the SEC reporting beneficial ownership as of December 31, 2015. 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. The interest in one account, Royce Special Equity Fund, an investment company registered under the Investment Company Act of 1940 and managed by Royce, amounted to 1,650,000 shares or 5.05% of the total shares outstanding.

(10) The information for Dimensional Fund Advisors LP (“Dimensional Fund”) is derived from a Schedule 13G Amendment, dated February 9, 2016, filed with the SEC reporting beneficial ownership as of December 31, 2015. Dimensional Fund serves as investment adviser to certain investment companies and as investment manager or submanager to certain other commingled funds, 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 or its subsidiaries (collectively, “Dimensional”) may possess voting and/or investment over shares owned by the Funds. Dimensional has the sole power to direct investments with regard to all such shares and the sole power to vote 2,670,892 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 10, 2016, filed with the SEC reporting beneficial ownership as of December 31, 2015. Fairpointe has the sole power to vote with regard to 1,983,594 of such shares, the sole power to direct investments with regard to 2,012,542 of such shares and the shared power to direct investments with regard to 24,300 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 Amendment, dated February 10, 2016, filed with the SEC reporting beneficial ownership as of December 31, 2015. Vanguard has the sole power to vote with regard to 33,802 shares, the sole power to direct investments with regard to 1,801,620 shares, the shared power to vote with regard to 2,300 shares and the shared power to direct investments with regard to 34,502 shares. Accordingly, for purposes of the reporting requirements of the Exchange Act, Vanguard 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 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, 2016, with the exception of the late filing of the Form 4s to report the taxes withheld on an RSU vesting for Ms. Newman, Ms. O’Connell, Mr. Hedden and Mr. Boyko, 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. The Form 4s were filed promptly upon discovery of the error.

Share Ownership of Management

On the Record Date, July 29, 2016, 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	2,156,200[2]	100 %	5,594,765[3]	15.7%
Andrés Alonso	—	—	2,683 [4]	*
James W. Barge	—	—	35,637 [5]	*
Marianne Caponnetto	—	—	23,037 [6]	*
John L Davies	—	—	6,243 [7]	*
Andrew S. Hedden	648,620 [2]	39.2%	2,448,469[8]	7.3 %
Peter Warwick	—	—	6,248 [9]	*
Margaret A. Williams	—	—	23,037 [6]	*
David J. Young			2,282 [10]	
Named Executive Officers				
Richard Robinson	2,156,200[2]	100 %	5,594,765[3]	15.7%
Maureen O'Connell	—	—	63,911 [11]	*
Andrew S. Hedden	648,620 [2]	39.2%	2,448,469[8]	7.3 %
Judith Newman	—	—	91,746 [12]	*
Alan J. Boyko	—	—	128,092 [13]	*
All directors, director nominees and executive officers as a group (13 persons)	2,156,200[2]	100 %	6,157,247[14]	17.1%

*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 1,719 shares of Common Stock under options exercisable by Dr. Alonso within 60 days of the Record Date under the Amended and Restated Scholastic Corporation 2007 Outside Directors Stock Incentive Plan (the "2007 Plan") and 964 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(5) Includes 9,883 shares of Common Stock held directly by Mr. Barge, 24,790 shares of Common Stock under options exercisable by Mr. Barge within 60 days of the Record Date under the 2007 Plan and 964 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(6) Includes 6,283 shares of Common Stock held directly by such director, 15,790 shares of Common Stock under options exercisable by such director within 60 days of the Record Date under the 2007 Plan and 964 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(7) Includes 1,252 shares of Common Stock held directly by Mr. Davies, 4,027 shares of Common Stock under options exercisable by Mr. Davies within 60 days of the Record Date under the 2007 Plan and 964 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

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

(9) Includes 1,257 shares of Common Stock held directly by Mr. Warwick, 4,027 shares of Common Stock under options exercisable by Mr. Warwick within 60 days of the Record Date under the 2007 Plan and 964 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(10) Includes 1,464 shares of Common Stock under options exercisable by Mr. Young within 60 days of the Record Date under the 2007 Plan and 818 shares underlying RSUs scheduled to vest within 60 days of the Record Date under the 2007 Plan.

(11) Includes 13,901 shares of Common Stock held directly by Ms. O'Connell, 25 shares of Common Stock owned by Ms. O'Connell's son, 40,825 shares of Common Stock under options exercisable by Ms. O'Connell within 60 days of the Record Date under the Scholastic Corporation 2011 Stock Incentive Plan (the "2011 Plan") and 9,160 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan. Does not include an additional 9,718 unvested RSUs under the Scholastic Corporation Management Stock Purchase Plan (the "MSPP") and 17,786 unvested RSUs under the 2011 Plan.

(12) Includes 11,167 shares of Common Stock held directly by Ms. Newman, 68,432 shares of Common Stock under options exercisable by Ms. Newman within 60 days of the Record Date under the 2011 Plan, 8,000 shares of Common Stock under options exercisable by Ms. Newman within 60 days of the Record Date under the Scholastic Corporation 2001 Stock Incentive Plan (the "2001 Plan"), 1,500 RSUs vested under the 2001 Plan, 2,248 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan and 399 RSUs vested under the MSPP. Does not include an additional 12,216 unvested RSUs under the MSPP and 4,227 unvested RSUs under the 2011 Plan.

(13) Includes 22,164 shares of Common Stock held directly by Mr. Boyko, 68,432 shares of Common Stock under options exercisable by Mr. Boyko within 60 days of the Record Date under the 2011 Plan, 31,000 shares of Common Stock under options exercisable by Mr. Boyko within 60 days of the Record Date under the 2001 Plan, 2,248 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan and 4,248 shares held under the 401(k) Plan. Does not include an additional 6,564 unvested RSUs under the MSPP and 4,227 unvested RSUs under the 2011 Plan.

(14) Includes 2,156,200 shares of Common Stock issuable on conversion of the Class A Stock (including the 500,000 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; 48,430 shares of Common Stock for which Mr. Robinson is custodian under a separate custodial accounts for his two sons; and 52,991 shares owned by the Richard Robinson Charitable Fund and 100,000 shares in the RR 2014 Revocable Trust. Also includes an aggregate of 645,593 shares of Common Stock held directly and 25 shares beneficially owned by all directors and executive officers as a group; an aggregate of 762,082 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 244,552 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 67,607 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 20,574 RSUs scheduled to vest within 60 days of the Record Date under the 2011 Plan; 1,500 RSUs vested under the 2001 Plan; an aggregate of 6,602 RSUs

scheduled to vest within 60 days of the Record Date under the 2007 Plan; 399 vested RSUs under the MSPP; 2,000 shares of Common Stock held in an IRA; and an aggregate of 15,600 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 118,872 unvested RSUs under the MSPP and an aggregate of 39,615 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 2016 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, 2016.

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
Peter Warwick
Margaret Williams
David Young

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.

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, Graham Holdings Co. and John Wiley & Sons, Inc., which companies constituted the peer group for fiscal 2016. At its May 2016 meeting, the HRCC revised the peer group for fiscal 2017 by removing Reed Elsevier plc and adding K-12, 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 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.

Compensation

Element	Objective	Key Features
Variable		
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 an executive's 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 2016, the HRCC's independent compensation consultant conducted an annual compensation review of market comparisons using both survey data and information from the most recent proxy statements for the peer group indicated above. No market adjustments to base salary for fiscal 2016 were recommended as a result of this review. Accordingly, for fiscal 2016 there were no increases in the base salaries of the Named Executive Officers.

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

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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 relevant fiscal year and primarily to encourage the achievement of the Company's key financial and operating goals for such fiscal year, 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 Plan ("MIP") or in the case of selected executives, including the Named Executive Officers, under the Company's 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"). 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. Under the EPIP, the Company retains the discretion to decrease, but not increase, the total bonus paid thereunder to a Named Executive Officer.

Fiscal 2016 Bonuses

For each of the Named Executive Officers, individual EPIP bonus potentials for fiscal 2016 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 2016, 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 2016 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 2016, 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, the achievement of Group Operating Income was based on the Operating Income of the Children's Book Group.

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)	100%	0%	0%	100%
Named Executive Officers (Staff)	100%	0%	100%	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 2016 no changes were recommended to the target bonus amounts for the Named Executive Officers.

For fiscal 2016, if the Corporate Operating Income threshold of 90% of its target amount was achieved, the bonus pool would be funded at 50% of the bonus target amount. If the Corporate Operating Income was not achieved at 90% of target, 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.

For fiscal 2016, the Company achieved Corporate Operating Income of $93.4 million, which was 67% 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 under the EPIP to the Named Executive Officers as provided in the table below.

Named Executive Officer	Fiscal 2016 Bonus Amount	Actual Bonus payout as a percentage of base salary	Target Bonus payout as a percentage of base salary
Richard Robinson	$ 812,375	83.7%	125%
Maureen O'Connell	$ 477,375	63.6%	95%
Andrew Hedden	$ 301,500	50.2%	75%
Judith Newman	$ 295,000	43.7%	70%

Alan J. Boyko	$ 257,950	46.9%	70%

Fiscal 2017 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 2017, 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 2017 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 2017, 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 Groups set forth in the table below, the achievement of Group Operating Income will be based on the Operating Income of the specific Group, as applicable.

Funding Metrics	Corporate Operating Income Less Than or Equal to Target		Corporate Operating Income Greater Than Target	
Participants	Corporate Operating Income	Group Operating Income	Corporate Operating Income	Group Operating Income Relative Contribution
Named Executive Officers (Children's Book Group, Education Group and International Group)	100%	0%	0%	100%
Named Executive Officers (Staff)	100%	0%	100%	0%

For fiscal 2017, if the Corporate Operating Income threshold of 100% of its target amount is achieved, the bonus pool would be funded at 75% of the bonus of the bonus target amount. If the Corporate Operating Income is not achieved at 100% of target, a discretionary pool could, if determined by the HRCC, be funded within the range of 20-25% of the target 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.

Also, for fiscal 2017, in the event that the Corporate Operating Income target is exceeded, 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.

Special Supplemental Bonuses for Fiscal 2015 and Fiscal 2016

On May 21, 2015, the HRCC approved special equity incentive bonuses for Maureen O'Connell and Andrew S. Hedden, which were made on August 3, 2015 in the form of grants of restricted stock units, having a market value of $600,000, in the case of Ms. O'Connell, and $350,000, in the case of Mr. Hedden, such value having been determined in accordance with the terms of the Scholastic Corporation 2011 Stock Incentive Plan (as amended, the "2011 Plan"). The grants, each of which vests in three equal cumulative annual installments commencing on the first anniversary of August 3, 2015 and each anniversary thereafter and otherwise is subject to the terms and conditions provided in the 2011 Plan, were made based on their responsibility for the consummation of the sale of the Educational Technology business and their efforts in

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connection therewith. Such grants are included in the "Summary Compensation Table" included herein.

On July 19, 2016, the HRCC also approved a supplemental bonus for Alan Boyko in the amount of $37,050 to provide internal equity in the context of the Children's Book Group based on the operating results of such group for fiscal 2016. The supplemental bonus is included in the "Summary Compensation Table" herein.

Long-Term Incentive Compensation

The HRCC 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 current 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 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. The Company currently makes its grants of stock options and restricted stock units under 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 2016, 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 2016 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 2016 is set forth below in the “Outstanding Equity Awards at May 31, 2016” table. The HRCC made its customary annual long-term incentive compensation grants for fiscal 2016 for each of the Named Executive Officers in September 2015, with the two supplemental bonus grants to Ms. O’Connell and Mr. Hedden, as discussed above, being made in August 2015.

Equity Awards for the Chief Executive Officer

Mr. Robinson had previously received a total of 1,499,000 options to purchase shares of Class A Stock pursuant to annual grants during the period 2004 through 2008 under the stockholder-approved Scholastic Corporation 2004 Class A Stock Incentive Plan, of which Mr. Robinson was the only participant (the “Class A Plan”).

Since completion of the program contemplated by the Class A Plan, long-term incentives provided to Mr. Robinson have been considered annually by the HRCC and, other than in 2013 when no grant was made to Mr. Robinson, have been in the form of options to purchase Common Stock. For fiscal 2014 through fiscal 2016, Mr. Robinson was granted options under the 2011 Plan to purchase 198,789 shares of Common Stock, 182,975 shares of Common Stock and 137,477 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.

Information regarding the equity awards held by Mr. Robinson as of the end of fiscal 2016 is set forth below in the “Outstanding Equity Awards at May 31, 2016” 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 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 as reported on NASDAQ in the fiscal quarter in which the bonus is paid.

With respect to fiscal 2016, 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, 2016. 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 2016, 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 2016.

Named Executive Officer	Fiscal 2016 Bonus amount	% allocation to the MSPP for Fiscal 2016 Bonus	Dollar amount of Bonus to be used for the purchase of RSUs on 9/1/2016
Richard Robinson	$ 812,375	100%	$ 812,375
Maureen O'Connell	$ 477,375	10%	$ 47,737
Andrew Hedden	$ 301,500	0%	$ 0
Judith Newman	$ 295,000	25%	$ 73,750
Alan J. Boyko	$ 257,950	50%	$ 128,975

Results of Stockholder Advisory Votes on Compensation of Named Executive Officers

At the 2011 Annual Meeting of Stockholders and the 2014 Annual Meeting of Stockholders, the Class A Stockholders approved the fiscal 2011 and fiscal 2014 compensation, respectively, 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 2016 as outlined in the Company's compensation philosophy and framework described above. In addition, at the 2011 Annual Meeting of Stockholders, 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 2017 compensation for the Company's Named Executive Officers, including the policies and procedures related thereto.

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, 2016, May 31, 2015 and May 31, 2014 as indicated below.

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards[1] ($)	Option Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[4] ($)	All Other Compen-sation(5) ($)	Total ($)
Richard Robinson	2016	$970,000	$0	$0	$2,299,990	$812,375	$46,148	$493,817	$4,622,330
Chairman of the Board,	2015	$970,000	$0	$0	$2,299,996	$1,212,500	$127,575 (10)	$499,416	$5,109,487
Chief Executive Officer	2014	$970,000	$0	$0	$2,299,989	$1,017,979	$40,020	$89,445	$4,417,433
and President									
Maureen O’Connell	2016	$750,000	$0	$813,187 (9)	$489,990	$477,375	$119	$75,438	$2,606,109
Executive Vice President,	2015	$750,000	$500,000 (7)	$209,994	$490,005	$712,500	$97	$83,223	$2,745,819
Chief Administrative	2014	$750,000	$0	$209,983	$490,011	$598,194	$542	$41,198	$2,089,928
Officer and Chief Financial Officer									
Andrew S. Hedden	2016	$600,000	$0	$456,848 (9)	$245,010	$301,500	$0	$55,332	$1,658,690
Executive Vice President	2015	$600,000	$0	$104,997	$245,003	$450,000	$0	$59,422	$1,459,422
and General Counsel	2014	$600,000	$0	$104,992	$245,000	$377,807	$0	$22,671	$1,350,470
Judith Newman	2016	$674,500	$0	$104,980	$245,010	$295,000	$2,168	$53,199	$1,374,857
Executive Vice President	2015	$674,500	$0	$104,997	$245,003	$472,150	$1,761	$114,518	$1,612,929

and President,									
Scholastic	2014	$674,501	$0	$104,992	$544,999	$396,403	$1,581	$26,532	$1,749,008
Book Clubs									
Alan J. Boyko	2016	$550,001	$37,050 (8)	$104,980	$245,010	$257,950	$2,268	$55,023	$1,252,282
President,									
Scholastic	2015	$550,000	$0	$104,997	$245,003	$385,000	$1,841	$68,366	$1,355,207
Book Fairs,									
Inc.	2014	$513,463 (6)	$0	$104,992	$544,999	$323,235	$1,646	$40,594	$1,528,929

(1) 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 2016, 2015 and 2014 for the Named Executive Officers.

(2) 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 2016, 2015 and 2014 for the Named Executive Officers.

(3) 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 2016, Mr. Robinson, Ms. O'Connell, Mr. Hedden, Ms. Newman and Mr. Boyko have elected to invest 100%, 10%, 0%, 25% and 50%, respectively, of his or her fiscal 2016 bonus for the purchase of RSUs, which will occur on September 1, 2016. For fiscal 2015, Mr. Robinson, Ms. O'Connell, Mr. Hedden, Ms. Newman and Mr. Boyko had elected to invest 100%, 20%, 25%, 25% and 25% respectively, of his or her fiscal 2015 bonus for the purchase of RSUs, which occurred on September 1, 2015. For fiscal 2014, Mr. Robinson, Ms. O'Connell, Mr. Hedden, Ms. Newman and Mr. Boyko had elected to invest 100%, 20%, 25%, 50% and 25%, respectively, of his or her fiscal 2014 bonus for the purchase of RSUs, which occurred on September 2, 2014.

(4) 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 dates used for financial statement purposes for fiscal 2016, 2015 and 2014.

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

(6) For the fiscal year June 1, 2013 through May 31, 2014, there were 27 instead of the usual 26 pay periods for Mr. Boyko.

(7) Represents a special incentive bonus approved by the HRCC relating to a specific organizational assignment undertaken by Ms. O'Connell, which was approved in August 2014 and paid in December 2014.

(8) Represents a supplemental bonus approved by the HRCC at its July 19, 2016 meeting to provide internal equity based on the fiscal 2016 operating results of the Children's Book Club.

(9) Includes a special equity incentive bonus in the form of restricted stock units for Ms. O'Connell and Mr. Hedden in the amounts of $600,000 and $350,000, respectively, such grants to vest over three years.

(10) The change in Pension Value for Mr. Robinson for fiscal 2015 reflects a significant increase from the prior year due to the fact that the standard mortality tables used to quantify pension plan obligations were revised during that year.

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	2016	$ 7,835	$ 174	$404,698	$ 81,110	$ 0	$493,817
	2015	$ 7,835	$ 174	$413,779	$ 77,628	$ 0	$499,416
	2014	$ 7,800	$ 174	$0	$ 81,471	$ 0	$89,445
Maureen O'Connell	2016	$ 7,788	$ 348	$47,557	$ 0	$ 19,745	$75,438
	2015	$ 7,788	$ 348	$48,621	$ 0	$ 26,466	$83,223
	2014	$ 7,596	$ 348	$0	$ 0	$ 33,254	$41,198
Andrew S. Hedden	2016	$ 7,038	$ 174	$37,548	$ 0	$ 10,572	$55,332
	2015	$ 7,615	$ 174	$38,390	$ 0	$ 13,243	$59,422
	2014	$ 7,596	$ 174	$0	$ 0	$ 14,901	$22,671
Judith Newman	2016	$ 7,783	$ 348	$39,394	$ 0	$ 5,674	$53,199
	2015	$ 7,783	$ 348	$80,561	$ 2,459	$ 23,367	$114,518
	2014	$ 7,583	$ 348	$0	$ 0	$ 18,601	$26,532
Alan J. Boyko	2016	$ 7,731	$ 174	$32,124	$ 9,320	$ 5,674	$55,023
	2015	$ 7,587	$ 348	$32,839	$ 14,349	$ 13,243	$68,366
	2014	$ 8,808	$ 348	$0	$ 14,537	$ 16,901	$40,594

(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. The compensation cost is computed using the grant date fair values for fiscal 2016 and 2015 under FASB ASC Topic 718 of $10.14 and $9.67, respectively, multiplied by the number of RSUs purchased in that fiscal year. There were no bonuses paid to the Named Executive Officers for fiscal 2013 which could be used to purchase RSUs in fiscal 2014. 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, $81,110, $75,480, and $76,155 of the amounts shown for fiscal 2016, 2015 and 2014, respectively, represents a portion or all of the compensation of certain employees who perform administrative services for Mr. Robinson personally from time to time, $0, $2,147 and $4,365 represents club membership dues used partially for personal use for fiscal 2016, 2015 and 2014, respectively, and $950 represents fees paid

by the Company for an executive physical during fiscal 2015. For Ms. Newman, for fiscal 2015, the amount represents the pay-off of the automobile lease by the Company. For Mr. Boyko, the amounts shown represent payments made by the Company in respect to personal use of a company-provided automobile, based on information provided by him.

(3) In fiscal 2016 and 2015, the Company made four dividend payments of $.15 per share on the Common and the Class A Stock. In fiscal 2014, the Company made four dividend payments, three of which were at a quarterly dividend rate of $.15 per share on the Common and the Class A Stock and one of which was 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 2016 to each of the Named Executive Officers.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1]			All Other Stock Awards: Number of Shares of Stock or Units	All Other Options Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards[2]	Closing Market Price on Grant Date	Grant Date Fair Value of Stock and Option Awards[3]
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	(#)	(#)	($/sh)	($/sh)	($)
Richard Robinson	—	$303,125	$1,212,500	$1,818,750					
	9/21/2015					137,477	$43.56	$43.25	$2,299,990
Maureen O'Connell	—	$178,125	$712,500	$1,068,750					
	8/3/2015				13,995 (5)		$43.10	$42.87	$599,965
	9/21/2015				4,821 (4)		$43.56	$43.25	$210,002
	9/21/2015					31,942	$43.56	$43.25	$489,990
Andrew S. Hedden	—	$112,500	$450,000	$675,000					
	8/3/2015				8,164 (5)		$43.10	$42.87	$349,991
	9/21/2015				2,410 (4)		$43.56	$43.25	$104,980
	9/21/2015					15,972	$43.56	$43.25	$245,010
Judith Newman	—	$118,038	$472,150	$708,225					
	9/21/2015				2,410		$43.56	$43.25	$104,980
	9/21/2015					15,972	$43.56	$43.25	$245,010
Alan J. Boyko	—	$96,250	$385,000	$577,500					

9/21/2015	2,410		$43.56	$43.25	$104,980
9/21/2015		15,972	$43.56	$43.25	$245,010

(1) Represents the potential amounts of cash bonus that could have been received for fiscal 2016 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 2016 to be paid in fiscal 2017.

(2) 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 date of grant, September 21, 2015.

(3) 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 $16.73 in the case of Mr. Robinson and $15.34 for all the other Named Executive Officers.

(4) Represents restricted stock units that vest in 25% increments beginning with the first anniversary from the date of grant.
(5) Represents restricted stock units that vest in 33 % increments beginning with the first anniversary from the date of grant.

OUTSTANDING EQUITY AWARDS AT MAY 31, 2016

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, 2016.

		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	9/19/2007	250,000[3]		$ 36.21	9/19/2017		
	9/24/2008	250,000[3]		$ 27.93	9/24/2018		
	8/27/2010	151,832		$ 22.81	8/27/2020		
	10/7/2011	224,172		$ 28.18	10/7/2021		
	9/17/2013	198,789	99,395	$ 30.17	9/17/2023		
	9/23/2014	45,743	137,272	$ 33.87	9/23/2024		
	9/21/2015		137,477	$ 43.56	9/21/2025		
Maureen O'Connell	8/27/2010	6,000		$ 22.81	8/27/2020		