

# **AMENDED AND RESTATED SCHOOL SPECIALTY, INC., COMPENSATION COMMITTEE CHARTER**

Effective as of June 13, 2007 and Amended November 17, 2008

## **I. Purpose**

The primary responsibilities of the Compensation Committee are to review and approve the strategy and design of School Specialty, Inc.'s (the "Company") compensation systems, to approve and report to the Board of Directors with respect to incentive compensation and equity-based or other compensation plans, to approve and request ratification from the Board of Directors regarding the compensation of the Chief Executive Officer, and to review and approve the salary, incentive, and other compensation of other key officers and the Directors (including board, committee and chair compensation amounts).

## **II. Committee Composition**

The Committee shall be comprised of at least three members, consisting solely of "independent" directors. A director is "independent" if he or she meets the requirements for independence set forth in the rules of the Nasdaq National Market and the Securities Exchange Act of 1934 and the requirements for qualification as an "outside director" under Section 162(m) of the Internal Revenue Code.

The members of the Committee will be appointed by the Board of Directors. A member will serve until his or her successor is appointed, until his or her resignation from the Committee, until his or her position on the Committee is eliminated due to a reduction in the size of the Committee, until he or she is removed from the Committee by the Board of Directors, or until his or her service on the Board of Directors terminates. The chairperson of the Committee will be the member of the Committee appointed to serve in such capacity by the Board of Directors from time to time. Any action to be taken at any meeting of the Committee may be taken without a meeting, if all members of the Committee consent thereto in writing, and such writing or writings are filed with the minutes of the Committee. All decisions of the Committee shall be determined by an affirmative vote of the majority of members in attendance. A quorum of the Committee shall be established when a majority of the members of the Committee are in attendance.

## **III. Meetings and Reports**

The Committee shall meet as often as the Committee or Committee chair determines, but not less frequently than annually. Meetings of the Committee may be called by any member of the Committee. The Committee chair shall prepare or approve an agenda in advance of Committee meetings. If appropriate, the Committee shall report to the Board of Directors at the Board meeting following each Committee meeting or more frequently as necessary regarding the Committee's activities, findings, conclusions and recommendations.

## **IV. Responsibilities and Powers**

The Committee's responsibilities shall include the following:

- A. Review and update, as needed, the Company's executive compensation objectives, policies and philosophy.
- B. Review and approve the performance and compensation of the Company's executive officers, including the Chief Executive Officer, whose compensation shall also be ratified by a majority of the independent members of the Board of Directors.
- C. Make recommendations to the Board of Directors with respect to the adoption of any incentive compensation and equity-based or other compensation plans that require full Board approval.

- D. Review and administer the Company's executive compensation plans, including all incentive compensation and equity-based or other compensation plans, and designate plan participants, establish objectives and applicable performance measurement criteria and approve awards.
- E. Serve as the Committee required under Section 162(m) of the Internal Revenue Code with responsibility for establishing, administering, and certifying attainment of performance goals in order to comply with said Section as the Committee deems appropriate.
- F. Review the level and composition of compensation and benefits provided to non-employee members of the Board of Directors on a periodic basis, and approve any changes. Such approval shall also be ratified by a majority of the independent members of the Board of Directors.
- G. As required under the rules of the Securities and Exchange Commission, provide a Compensation Committee Report to be included in the Company's annual proxy statement which states whether (1) the Committee has reviewed and discussed with management the Compensation Discussion and Analysis required to be included in the Company's annual proxy statement, and (2) based on the review and discussion referred to above, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's annual proxy statement.
- H. Take further action as necessary or appropriate upon authority provided by the Board of Directors with respect to any other compensation matters that may arise.

#### **V. Annual Evaluation**

The Committee shall review and assess the adequacy of the Charter annually and approve any changes to this Charter. Such approval shall also be ratified by the Board of Directors. In addition, the Committee shall annually review the performance of the Committee.

#### **VI. Delegation; Use of Advisors**

The Committee may delegate authority and assign responsibility with respect to such of its functions, to such officers of the Company, or committees comprised of such persons, as it may deem appropriate from time to time.

In the course of fulfilling its duties, the Committee shall have the sole authority to retain, at the Company's expense, a compensation consultant and shall have sole authority to approve the consultant's fees and other retention terms, and to terminate such compensation consultant. Likewise, the Committee shall have the sole authority to retain, at the Company's expense, legal, accounting or other advisors to advise the Committee within its scope of authority and responsibility, including sole discretion to approve the fees and other retention terms of any such advisor and to terminate any such advisor.