

School Specialty, Inc.

Code of Ethics

- *Standards of Business Conduct* -

Effective October 24, 2013

From The Board of Directors and CEO

We have always regarded integrity as one of our most important assets at School Specialty. Our reputation for ethical and honest behavior has been an important contributor to the success we have enjoyed thus far. Maintaining that reputation is critical to the accomplishment of our future goals, particularly given the nature of our business – inspiring children to learn.

Our Standards of Business Conduct or “Code of Ethics” applies to all directors, officers and associates of School Specialty, Inc., and its subsidiaries and is intended to both inform and educate all parties on the ethical obligations each has to our company. As you read this document, you will see that we have set very high expectations in our standards of business conduct. You will find integrity woven throughout, and the expectation to always do the right thing as our cornerstone.

How we are - in essence how we behave to our co-workers, our customers, our shareholders and the general public - will ultimately define who we are perceived to be as an organization. Are we fair? Are we honest? Are we respectful? Can we be depended upon to do the right thing? The answers to these questions are what define a company. For School Specialty, the answer to these questions is always yes.

We are all expected to comply with our Standards of Business Conduct at all times. Although we may not be physically at work, we do represent School Specialty at all times, wherever we are. A lone violation of our Code of Ethics by a single individual could have devastating consequences for our customers, our shareholders, our company and on the livelihoods of all of us. We cannot afford even the appearance, or misperception of improper behavior.

We ask you to not only read our Standards of Business Conduct and sign the acknowledgement form, but to truly live out the Code in your daily lives as well. It is our desire at School Specialty to create an organization that people are proud to work for, where each associate can bring their energy and spirit to achieve their very best.

We look forward to the opportunities ahead of us as each of you contribute to make School Specialty not only a great company to work for, but a truly inspiring place to be.

Thank you for living out daily, the School Specialty Code of Ethics.

Sincerely,

Joe Yorio
President, CEO & Director
School Specialty, Inc.

Jim Henderson
Chairman & Director
School Specialty, Inc.

Justin Lu
Director
School Specialty, Inc.

Madhu Satyanarayana
Director
School Specialty, Inc.

School Specialty, Inc.

Code of Ethics

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Overview of the Code

- School Specialty, Inc. (the “Company”) expects all associates to follow the spirit as well as the letter of the law wherever they are. The activities of the Company, and hence your activities, must always be in full compliance with all laws, rules and regulations of the jurisdictions in which the Company conducts its business.
- Associates first and foremost are asked to live out our core values – our PRIDE values.
- Associates must both demand and demonstrate a work environment free from harassment and discrimination.
- Associates must avoid situations that create immediate or potential conflicts of interest.
- Financial records—both for internal activities and external transactions—must be timely and accurate.
- Company assets—including computers, materials and work time—must not be used for personal benefit.
- Customers and suppliers must be dealt with fairly, with respect and at arm’s length.
- Associates must safeguard the Company’s nonpublic information.
- Violations of the Code include asking other associates to violate the Code, not reporting a clear Code violation or failing to cooperate in a Code investigation.
- Violating the Code will be taken seriously and will result in discipline. Discipline will vary depending on the circumstances and may include, a reprimand, demotion, loss of compensation, suspension or termination.
- Under the Code, certain actions require written approval by your Principal Manager. The Principal Manager is your Division President or Corporate function head who is at a vice president level or above. The Principal Manager is responsible to report these actions to the management executive who is in charge of the human resources department of the Company (CHRO).
- For those who are themselves Principal Managers, written approvals must come from the CHRO. Written approvals for executive officers and directors must come from the Board of Directors (excluding the party requiring approval). Any waiver (exception) to the Code for an executive officer or director, including the reason for the waiver, must be disclosed via a Form 8-K filing with the SEC within 4 business days of such occurrence and can only be made by the Board of Directors.
- **If you have ANY questions about ANY situation, please ask.**

Our P.R.I.D.E. Values

The core values we share as associates reflect the PRIDE we have in our company. That PRIDE is what fuels our desire to be the best – the best for our associates, our customers, and our shareholders. Our culture will always contain these elements of PRIDE:

People Focused – we actively work on building current and future capabilities for ourselves and others.

Results Driven – We organize our resources and our work to effectively and efficiently accomplish our goals.

Innovative – We identify customer needs and organizational opportunities to develop solutions that exceed customer expectations.

Dependable – We collaborate to accomplish our goals. We say what we'll do and we will do what we say.

Ethical – We act with integrity....always. We focus on doing the right thing.....always.

These are our core values, and with these core values come expectations and responsibilities we all must embrace, share and live out.

Our Responsibilities

Each School Specialty associate is responsible for acting with a high degree of integrity. This means being honest, obeying the law and treating each other with respect. It means taking responsibility and accountability for everything you do.

- It is everyone's responsibility to read, understand and comply with the School Specialty Standards of Business Conduct / Code of Ethics. You must comply with the Code in both letter and spirit. Ignorance of the Code will not excuse you from its requirements.
- Follow the law wherever you are and in all circumstances and never ever engage in behavior that harms the reputation of the Company.
- Some situations may seem ambiguous. If you find yourself questioning whether an action violates the Code, think through the situation and seek guidance. Don't ignore your instincts. Ultimately, you are responsible for your actions. If in doubt, remember to ask.
- You have several options for seeking guidance. You may discuss concerns with your manager, responsible associates in the finance or human resources department, or officers of the Company.
- Associates are obligated to promptly report clear violations, and suspected violations, of the Code. This includes situations where a manager or colleague asks you to violate the Code. In all cases, unless you are engaged in the violation/wrong-doing, there will be no reprisals for making any reports, and every effort will be made to maintain confidentiality.
- You should report violations of the Code to your Principal Manager, who in turn must promptly report the violation to the CHRO or CEO. You may also report violations using the confidential and anonymous associate code of ethics hotline at 1-800-863-3449.
- Associates are obligated to cooperate with investigations into Code violations and must always be truthful and forthcoming in the course of these investigations.
- Managers have important responsibilities under the Code. Managers must understand the Code, seek guidance when necessary and report suspected Code violations.
- The most important message is this: When you are uncertain about any situation, ask for guidance. Whenever you are wondering if "it's the right thing to do" take the mirror test - can you look in the mirror and say with all honesty that you would be able to explain your actions to your mother or father, your kids, your spouse, your friends, and they would agree with you that what you are doing is right and just. Or another way to think of it – would you want it on the evening news?

Conflicts of Interest

OVERVIEW

Personal activities and relationships cannot conflict, or appear to conflict, with the interests of the Company. A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company. The Code cannot specifically address every potential conflict, so use your conscience and common sense.

GENERAL PRINCIPLES

- Avoid situations where your personal interests conflict, or appear to conflict, with those of the Company.
- You may own up to 1% of the stock in a competitor, customer or supplier without seeking prior approval from your Principal Manager so long as the stock is in a public company and you do not have discretionary authority in dealing with that company. If you want to purchase more than 1% of the stock in question, then the stock may be purchased *only* with prior approval of your Principal Manager.
- If you have a financial interest in a transaction (meaning that somehow you or a family member would personally benefit from a transaction) between the Company and a third party—even an indirect interest through, for example, a family member—that interest must be approved by your Principal Manager prior to the transaction. However, if you have a financial interest in a supplier or customer only because someone in your family works there, then you do not need to seek prior approval unless you deal with the supplier or customer or your family member deals with the Company.
- If you'd like to serve as an officer or director or consultant to an outside business on your own time, (and if the business has any dealings with School Specialty, Inc. or if it is likely that your affiliation with the outside business may impact your ability to perform your job to the fullest at the Company) you must receive prior approval in writing from your Principal Manager. If your Principal Manager changes, or the circumstances of the outside business change substantially, you must seek re-approval. (Associates are permitted, however, to serve on charity boards or in family businesses that have no relationship to the Company.)
- Any potential conflict of interest that involves an officer of the Company, of a division or of a subsidiary must be approved in advance by the CHRO. Any potential conflict of interest that involves a director or executive officer of the Company must be approved by the Board of Directors or its designated committee. For purposes of the Code, the Board of Directors has assigned the Audit Committee as the designated committee.
- Loans from the Company to, or guarantees by the Company of obligations of, any director or executive officer or their family members are prohibited. Loans from the Company to other officers and associates must be approved in advance by the CFO and CEO. Travel advances are expected to be repaid with expense report documentation within 30 days of travel and are not considered loans for this purpose.

Financial Records

OVERVIEW

Every Company financial record—including time sheets, sales records and expense reports—must be accurate, submitted timely and prepared in accordance with the law (an unintentional inaccuracy is not a violation of the Code, but should be brought to your Principal Manager's attention upon discovery).

GENERAL PRINCIPLES

- Always record and classify transactions in the proper accounting period and in the appropriate account and department. Delaying or prepaying invoices to meet budget goals is a violation of the Code.
- Never falsify any document or distort the true nature of any transaction. All transactions must be supported by accurate documentation.

- All reports made to regulatory authorities must be full, fair, accurate, timely and understandable and all associates must cooperate with investigations into the accuracy and timeliness of financial records.
- To the extent estimates and accruals are necessary in Company reports and records, they must be supported by appropriate documentation and based on good faith judgment.
- Payments can only be made to the person or the firm that actually provided the goods or services.

Use of Company Assets

OVERVIEW

Company assets are meant for Company, not personal use. Company assets include your time at work and work product, as well as the Company's equipment, supplies, vehicles, computers and software, Company information, and trademarks and name.

Common sense should prevail, of course. The occasional personal phone call from your workplace, for example, is inevitable. Substantial personal phone calls, however, represent misuse. The point is to recognize that theft, misappropriation or unauthorized use of Company assets is a violation of the Code.

GENERAL PRINCIPLES

- You may not misuse Company assets for your personal benefit or the benefit of anyone other than the Company.
- You may not take for yourself any opportunity for financial gain that you find out about because of your position at the Company or through the use of Company property or information.
- Misuse of Company assets may be considered theft and result in termination or criminal prosecution.
- Deliberately taking Company equipment or supplies home for personal gain is considered stealing.
- Before accepting payment for speeches or presentations related to the Company or your work at the Company, always get your Principal Manager's approval.
- Company computer systems and equipment are meant for Company use only. For example, they should never be used for outside businesses, illegal activities, gambling, gaming, personal business or pornography.

Working with Customers & Suppliers

OVERVIEW

It often is customary to exchange gifts and entertainment with customers and suppliers. Keep an arm's length in those relationships. Further, many of School Specialty's customers are government employees and subject to rules/restrictions on gifts they may accept. Be aware of those restrictions and ensure that any gift or entertainment you provide, regardless of how small you deem it to be does not violate the policies of our customers. Avoid excessive or lavish gifts that may give the appearance of undue influence. Avoid personal financial transactions with customers and suppliers that may influence your ability to perform your job. You must abide by the Foreign Corrupt Practices Act Policy a copy of which will be included with this Code when delivered to you. Should there be any conflict between the terms of this Code and said policy, the more restrictive provisions shall control.

GENERAL PRINCIPLES

- The Code prohibits associates from accepting lavish gifts or entertainment. This is an area in which your judgment is critical. For instance, modest holiday gifts are usually fine, but a large gift of money (for example \$100 or more) or a lavish, expensive weekend trip (valued at more than \$100) probably would not be. If you are uncertain, seek prior written approval from your Principal Manager.

- Gifts and entertainment for customers, potential customers and suppliers must support the legitimate business interests of the Company and should be reasonable and appropriate under the circumstances. Always be sensitive to our customers' and suppliers' own rules on receiving gifts and entertainment.
- Consistent with the obligation we all have to act with integrity and honesty at all times, you should deal fairly with the Company's customers, suppliers, competitors and associates. No director, officer or associate should take unfair advantage of anyone through misrepresentation or any unfair business practice.
- Associates are prohibited from receiving payments, gifts or products directly from vendors or customers. Vendor spiffs are acceptable only if under a pre-approved company / vendor program and the spiff is reported.

Working with SSI Associates (Creating a Harassment & Discrimination-Free Workplace)

OVERVIEW

Every School Specialty associate has the right to work in an environment that is free from intimidation, harassment and discrimination. Verbal or physical conduct by any SSI associate that harasses another SSI associate or disrupts another SSI associate's work performance or creates an intimidating, offensive, abusive or hostile work environment will not be tolerated. In addition, sexual advances, requests for sexual favors and other inappropriate verbal or physical conduct of a sexual nature is strictly prohibited. Please see the SSI Anti-Harassment Policy for further information. You must abide by the SSI Anti-Harassment Policy a copy of which will be included with this Code when delivered to you. Should there be any conflict between the terms of this Code and said policy, the more restrictive provisions shall control.

GENERAL PRINCIPLES

- All hiring and promotion selections are based upon valid job-related criteria. Under no circumstances will any candidate or associate be subject to discrimination based upon their race, ethnicity, color, gender, age, religion, national origin, disability, veteran status, marital status, sexual orientation or other protected status.
- A harassment-free, discrimination-free environment is an environment of respect. The Company requires respect for the individual, both who they are and what they value and believe in. Under no circumstances will the Company tolerate a work environment where an associate feels they are unable to perform the duties of their job due to inappropriate, derogatory or demeaning treatment.
- Any associate who is witness to, informed of, or reasonably suspects an incident of harassment or discrimination must immediately report such incident to their human resource director or to the CHRO. Failure to do so will be considered a violation of the SSI Anti-Harassment policy.

Protecting Information

OVERVIEW

It is your obligation to safeguard the Company's nonpublic information. You should not share this information with anyone outside the Company unless it is necessary as part of your work responsibilities. You must also abide by the Social Media Policy of the Company a copy of which will be included with this Code when delivered to you. Should there be any conflict between the terms of this Code and said policy, the more restrictive provisions shall control.

Nonpublic information is any information that has not been disclosed or made available to the general public. Trading in stocks or securities based on nonpublic information, or providing nonpublic information to others so that they may trade in stocks or securities, is illegal and may result in prosecution. Nonpublic information includes items such as financial or technical data, plans for acquisitions or divestitures, new products, inventions or marketing campaigns, personal information about associates, major contracts, expansion plans, financing transactions, major management changes and other corporate developments.

GENERAL PRINCIPLES

- Do not disclose nonpublic information to anyone outside the Company, except when disclosure is required for business purposes and appropriate steps have been taken to prevent unauthorized use or misappropriation of the information.
- Associates may not buy or sell stocks or securities based on nonpublic information obtained from their work at the Company. See also the Company's Insider Trading Policy. A copy of this policy will be included with this Code when delivered to you. Should there be any conflict between the terms of this Code and said policy, the more restrictive provisions shall control.
- Disclosing nonpublic information to others, including family and friends, is a violation of the Code and may violate the law.
- When considering the use of social media in any form consult and abide by the Company's Social Media Policy.
- Just as the Company values and protects its own nonpublic information, we respect the nonpublic information of other companies. If you have any questions about obtaining or using nonpublic information of other companies, contact the CFO or CHRO for guidance.
- The Company has document retention programs designed to retain those documents and records required by applicable laws and regulations. Documents may only be destroyed in compliance with these document retention programs. Notwithstanding these programs, no document may ever be destroyed during a pending investigation or litigation. Any belief that Company records are being improperly altered or destroyed must be reported immediately.

Administration of the Code

DISTRIBUTION

All Company directors, officers and associates are subject to this Code and will receive a copy of this Code and additional support materials at the time they join the Company. In addition, the Code is housed on the Company intranet "Schoolyard" for additional reference.

TRAINING

Upon joining the Company and as part of an acknowledgement and understanding of the Code of Ethics, all newly hired associates will complete an acknowledgement of receipt of the copy of the Code and policies as herein referred. As part of the annual recertification process, all existing associates must complete the on-line tutorial.

SIGNATURE AND ACKNOWLEDGEMENT

All new associates must sign an acknowledgment form confirming that they have read the Code and understand its provisions. Failure to read the Code or to sign an acknowledgment form, however, does not excuse an associate from the terms of this Code. All associates who participate in the Company's annual executive bonus plans and/or equity compensation plans must sign an acknowledgment annually.

APPROVALS

The appropriate Principal Managers must review and approve in writing any circumstance requiring special permission, as described in the Code. Copies of these approvals are to be submitted to the CHRO and are maintained by the Company. Waivers of any provision of this Code for officers or directors must be approved by the Board of Directors and will be promptly disclosed to the extent required by law or regulation.

MONITORING COMPLIANCE

Associates should take all responsible steps to prevent a Code violation. Associates must promptly report any suspected Code violations involving directors or executive officers to the Audit Committee of the Board of Directors. Associates must promptly report any suspected Code violations involving any other person to their Principal Manager, to their HR Director, or to the CHRO. Associates may also report violations on the confidential associate code of ethics hotline at 1-800-863-3449.

INVESTIGATIONS

The responsibility for administering the Code, investigating violations of the Code and determining corrective and disciplinary action, rests with the Board of Directors as it relates to financial records, conflicts of interest, and use of

Company assets and as it relates to other matters. The Board of Directors has delegated to the CHRO the responsibility for day-to-day operation of this Code and to direct investigations of suspected violations of the Code. The CHRO has also been delegated responsibility for granting waivers to the Code for associates who are not officers or directors, but must report such waivers to the appropriate Committee on a periodic basis. The CHRO will periodically report Code violations and the corrective actions taken to the Board of Directors.

DISCIPLINARY ACTIONS

The Company strives to impose discipline for each Code violation that fits the nature and particular facts of the violation. The Company uses a system of progressive discipline. Violations may result in warnings or letters of reprimand, suspension without pay, demotion, loss or reduction of pay, termination or, in the event of criminal conduct or other or other serious violations of the law, notification of appropriate governmental authorities. Violations of this Code are not the only basis for disciplinary action. The Company has additional policies and procedures governing conduct.

IT'S UP TO YOU

Administration of the Code is everyone's responsibility. There are colleagues to help you do the right thing. If you act with integrity and seek guidance when you are uncertain, you'll be doing the right thing.

This Code should help guide your conduct. But the Code cannot address every circumstance and is not meant to; this is not a catalog of workplace rules. You should be aware that the Company also has other policies. Associates should consult the policies of School Specialty in specific areas as they apply.

This Code is not an express or implied contract of employment and does not create any contractual rights of any kind between School Specialty, Inc. and its associates. In addition, all associates should understand that this Code does not modify their employment relationship, whether at will or governed by contract. School Specialty, Inc. reserves the right to amend, alter or terminate this Code at any time and for any reason.

**Acknowledgement of Receipt
of the
Code of Ethics**

I acknowledge that I have received, read and understand the Code of Ethics dated September [___], 2013 as well as copies as referred to therein of the Company's Social Media Policy, Harassment Policy, Insider Trading Policy and Foreign Corrupt Practices Act Policy, and represent:

1. In accordance with the Code of Ethics and said policies, I will report all violations of the Code to the Company's CHRO, the confidential associate ethics hotline or to the Chairman of the Board of Directors.
2. I am currently in compliance with all aspects of the Code and do not currently know of any violations of the Code of Ethics; except as follows:

3. I have completed the on-line Code of Ethics tutorial (effective _____, 2013)
4. I will comply with the Code of Ethics in all other respects.

Signature

Print Name

Title

Date

