



## **CAMBIUM LEARNING GROUP, INC.'S INSIDER TRADING POLICY**

### **I. Restrictions on Purchases and Sales**

General Policy. It is Cambium Learning Group, Inc.'s ("Cambium") policy that if you possess material non-public information concerning Cambium, *neither you nor your spouse, minor children or other adults living in your household* may (i) buy or sell securities of Cambium (including options) or (ii) pass on such information to others. This policy also extends to trading securities of other companies, such as customers, suppliers, competitors or joint venture partners (including options relating to the securities of those other companies) if you have acquired material non-public information relating to those companies in the course of your employment or service on behalf of Cambium. **A person does not have to be an officer or director of the company to be an insider. Any person who possesses material non-public information is covered by this policy.**

Quarterly Blackout Periods. Cambium requires that the persons covered by this policy follow the restrictions on trading during quarterly blackout periods as set forth below:

Persons covered by this policy must refrain from engaging in transactions involving the purchase or sale of Cambium securities commencing on the 15<sup>th</sup> day of the last month of each fiscal quarter and extending until the beginning of the third trading day after the day on which Cambium's quarterly or annual earnings for the applicable period are released. For example, if earnings are released after the close of the market on a Wednesday and the conference call for shareholders and the public is held on Thursday, the "no-trade" period will extend through Friday and transactions may again occur on the following Monday.

No Safe Harbor. The existence of blackout periods and situation-specific trading restrictions should not be considered a safe harbor for trading during other periods, and all directors, officers and other employees should use good judgment at all times. For example, occasions may arise when individuals covered by this policy become aware prior to the end of a quarter that earnings for that quarter are likely to exceed, or fall below, market expectations to an extent that is material. In such a case, those individuals should refrain from trading even prior to the normal commencement of the quarterly blackout period.

Additional Restrictions in Specific Circumstances. From time to time, Cambium may recommend or require that directors, officers, selected employees and others refrain from trading because of developments known to Cambium and not yet disclosed to the public. In such a case, the persons so advised should not engage in any transaction involving the purchase or sale of Cambium securities until advised that the restriction has been terminated and should not disclose to others inside or outside of Cambium the fact that Cambium has imposed a trading restriction.

Filing Requirements. The SEC requires directors and executive officers to report transactions on Forms 4 and 5 to be filed electronically with the SEC within two business days of a transaction

involving Cambium stock. It is imperative that the directors and executive officers advise Cambium's General Counsel of any Cambium stock transaction as quickly as possible.

## **II. Advance Notification Procedures (applicable to Advance Notification Group only)**

All directors and officers of the Company and certain other employees of Cambium, its affiliates and *their respective spouses, minor children or other adults living in their households* (the "Advance Notification Group") are subject to the advance notification requirements described herein.

Any member of the Advance Notification Group who intends to (i) buy or sell securities of Cambium, (ii) transfer existing account balances in his or her Profit Sharing Plan account into or out of a Cambium stock fund or, (iii) exercise an employee or director stock option, *must review the proposed transaction in advance with Cambium's General Counsel*. You should provide the General Counsel with information regarding the type of transaction and the number of shares involved, and either confirm that you possess no material non-public information concerning Cambium or inform the General Counsel of any circumstances that you believe could present an issue in that regard. The General Counsel will subsequently contact you to communicate any position the Company has on the proposed transaction. If you do not execute the transaction within five business days after the transaction is reviewed, you should again check with the General Counsel before concluding the transaction. Please allow sufficient time (at least two business days) for consideration of a proposed transaction under the advance notification requirements.

The advance notification procedure is intended as a means to enable the Cambium to assist in preventing situations that could result in legal exposure and embarrassment to individuals and Cambium. In the case of Section 16 reporting persons, the same procedure provides a check against transactions that could create a "short-swing profits" liability for the reporting person. However, compliance with the insider trading laws and the short-swing profit rules is ultimately the individual responsibility of each person subject to this policy.

## **III. Policy on Maintaining Confidentiality**

You should avoid communicating non-public information about Cambium to any person (including family members and friends) unless the person has a need to know the information for company-related reasons. This policy applies without regard to the materiality of the information. *If you communicate information that someone else uses to trade illegally in securities, legal penalties are applicable whether or not you personally derive any benefit from the illegal trading.*

## **IV. Materiality and Public Knowledge of Information**

In applying the policies described above, it is important to determine whether information is material non-public information. Information is considered material:

- if there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to buy, sell or hold the securities in question;
- or

- if the information, if disclosed, could be viewed by a reasonable investor as having significantly altered the total mix of information available.

Chances are, if a person learns something that leads *that person* to want to buy or sell securities, the information will be considered material. Thus, even speculative information can be material, and information may be material even if that information alone would not determine an investor's decision to buy, sell or hold. By way of example, it is probable that the following information, in most circumstances, would be deemed material:

- annual or quarterly financial results (or even monthly results under certain circumstances, including, in particular, when they would indicate a material departure from market expectations);
- a change in earnings projections;
- unexpected or unusual gains or losses in major operations;
- negotiations and agreements regarding acquisitions, divestitures, business combinations; joint ventures or tender offers;
- significant changes in prices, customers or suppliers;
- an increase or decrease in dividends, declaration of a stock split or stock dividend;
- the offering of additional securities;
- impending financial or liquidity problems;
- notification from the Company's auditors that the Company may no longer rely on the auditor's audit report;
- major developments in litigation or regulatory matters; and
- significant management changes.

This list of examples is not intended to be exhaustive, and other types of information may also be material.

When material information has been publicly disclosed, you should continue to refrain from buying or selling the securities in question until the information has been adequately disseminated to the public so that investors have had the opportunity to evaluate the information.

## **V. Legal Consequences for Violating the Insider Trading Policy**

Federal law imposes heavy penalties on those who in violation of law, either buy or sell securities while aware of material non-public information or pass the material nonpublic information along to others who use it to buy or sell securities. Potential penalties are:

- civil penalties ranging from \$5,000 to \$500,000 per violation;
- criminal fines and penalties of up to \$2.5 million; and
- jail terms.

## **VI. Questions or Guidelines**

If you have any questions or are in need of guidance of this policy, please contact Scott McWhorter, Cambium's General Counsel, at (214) 932-9500 or email at [scott.mcwhorter@cambiumlearning.com](mailto:scott.mcwhorter@cambiumlearning.com).