

HOUGHTON MIFFLIN HARCOURT COMPANY
COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Houghton Mifflin Harcourt Company, a Delaware corporation (the “**Company**”), shall have responsibility for reviewing, and making determinations or recommendations to the Board, as applicable, with respect to, the compensation of the Company’s executive officers, including the Company’s Chief Executive Officer (the “**CEO**”), and for incentive compensation, equity-based and pension plans as further provided in this Charter.

II. Organization

Except as otherwise permitted by the applicable rules of The NASDAQ Stock Market (“**NASDAQ**”), the Committee shall consist of three or more directors, each of whom shall satisfy the applicable independence and other compensation committee membership requirements of the Company’s corporate governance guidelines, NASDAQ and any other applicable regulatory requirements.

At least two members of the Committee shall qualify as (a) outside directors for purposes of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, including Treasury Regulations Section 1.162-27, and (b) nonemployee directors for purposes of Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations promulgated thereunder.

Members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating, Ethics and Governance Committee and may be removed by the Board at any time. The Committee’s chairperson shall be designated by the Board on the recommendation of the Nominating, Ethics and Governance Committee or, if not so designated, the members of the Committee shall elect a chairperson by a vote of the majority of the full Committee.

The Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single director) as it deems appropriate from time to time under the circumstances. To the extent permitted by applicable law, NASDAQ and any other applicable regulatory requirements and consistent with the terms of any applicable plan, the Committee may, subject to any limitations imposed by the Board from time to time, delegate to one or more executive officers or employees of the Company responsibilities with respect to the compensation of employees of the Company who are not executive officers or directors of the Company.

III. Meetings

The Committee shall meet at least four times per year on a quarterly basis, or more frequently as circumstances require. Meetings shall be called by the chairperson of the Committee or, if there is no chairperson, by a majority of the members of the Committee. A

majority of the members of the Committee shall constitute a quorum for purposes of holding a meeting and the Committee may act by a vote of a majority of members present at such meeting. Meetings may be held telephonically or by other electronic means to the extent permitted by the Company's organizational documents and applicable law. Committee actions may be taken by unanimous written consent.

IV. Authority and Responsibilities

To fulfill its responsibilities, the Committee shall:

1. Review the Company's executive compensation philosophy with management from time to time, and recommend any proposed changes to the Board.
2. Review the Company's executive compensation strategy and executive compensation structure, policies and programs with management from time to time.
3. Review and discuss, at least annually, the material risks associated with the Company's executive compensation structure, policies and programs to assess whether such structure, policies and programs encourage excessive risk-taking and to evaluate compensation policies and practices that could mitigate any such risk.
4. On an annual basis, review and make recommendations to the Board with respect to corporate goals and objectives relevant to the compensation of the Company's CEO, evaluate the CEO's performance in light of those goals and objectives and make recommendations to the Board with respect to the CEO's compensation based on this evaluation. In evaluating and making recommendations with respect to the long-term incentive component of CEO compensation, the Committee may also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies, the value of similar awards given to other executive officers of the Company, the results of the most recent shareholder advisory vote on executive compensation required by Section 14A of the Exchange Act (the "Say-on-Pay Vote") and the awards given to the CEO in past years. The CEO shall not be present during voting or deliberations relating to his or her compensation.
5. On an annual basis, review the corporate goals and objectives relevant to the compensation of the Company's other executive officers with the CEO, review the CEO's evaluation of the executive officers' performance in light of those goals and objectives with the CEO, and determine executive officer compensation based on this evaluation. In evaluating and determining the long-term incentive component of executive officer compensation, the Committee may consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to executive officers at comparable companies, the value of similar awards given to other executive

officers of the Company, the results of the most recent Say-on-Pay Vote and the awards given to the executive officer in past years. No executive officer may be present during voting or deliberations relating to his or her compensation.

6. Review and make determinations or recommendations to the Board, as applicable, with respect to the Company's incentive compensation, equity-based and pension plans. With respect to each such plan, the Committee shall have authority and responsibility for:
 - (a) administering the plan;
 - (b) setting performance targets under all annual bonus and long-term incentive compensation plans as appropriate and committing to writing any and all performance targets for executive officers who the Committee determines may be "covered employees" under Section 162(m) of the Internal Revenue Code and applicable regulations;
 - (c) if called for by the plan or a specific award under the plan, certifying that any and all performance targets used for any performance-based equity compensation plan have been met before payment of any bonus or compensation or exercise or vesting of any award granted under any such plan;
 - (d) approving all amendments to, and terminations of, all compensation plans and any awards under such plans (or, where required by applicable laws or regulations or the listing standards of NASDAQ or where deemed advisable by the Committee, recommending to the Board such amendment or termination, as applicable);
 - (e) granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to executive officers or other plan participants, including stock options and other equity rights (e.g., restricted stock, RSUs, stock purchase rights);
 - (f) approving which executive officers are entitled to awards under the Company's equity plans; and
 - (g) approving repurchases of securities from terminated employees (or, where required by applicable laws or regulations or the listing standards of NASDAQ or where deemed advisable by the Committee, making recommendations to the Board with respect to such approval).

In reviewing the Company's incentive compensation, equity-based and pension plans, the Committee may consider, among such other factors as it may deem relevant, the plan's administrative costs, current plan features relative to any proposed new features, the results of the most recent Say-on-Pay Vote and the performance of the plan's internal and external administrators if any duties have been delegated.

7. Review and (a) recommend to the Board for approval any employment agreement or compensatory arrangement with the CEO and (b) determine any employment agreement or compensatory arrangement with any of the Company's other executive officers.
8. Establish and periodically review policies concerning executive perquisite benefits.
9. Review and recommend to the Board for approval the Company's policies or plans with respect to severance, change-of-control or "parachute" payments.
10. Approve compensation awards, including individual grants and payouts, as may be required to comply with applicable tax and state corporate laws.
11. Review the Company's compensation disclosures in its annual proxy statement or its Annual Report on Form 10-K filed with the SEC, as applicable. Review and discuss the Company's Compensation Discussion and Analysis ("CD&A") with management and based on such review and discussion, determine whether to recommend to the Board that such compensation disclosures and CD&A be disclosed in the Company's annual proxy statement or Annual Report on Form 10-K filed with the SEC, as applicable.
12. Review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay Votes, taking into account the results of the most recent shareholder advisory vote on frequency of Say-on-Pay Votes required by Section 14A of the Exchange Act, and review and recommend to the Board for approval the proposals regarding the Say-on-Pay Vote and the frequency of the Say-on-Pay Vote to be included in the Company's proxy statement filed with the SEC.
13. Prepare any report required by applicable rules and regulations or listing standards, including the report required by the SEC to be included in the Company's annual proxy statement or its Annual Report on Form 10-K filed with the SEC, as applicable.
14. Review and assess the adequacy of this Charter annually and recommend to the Board (in coordination with the Nominating, Ethics and Governance Committee) any changes deemed appropriate by the Committee.
15. Review its own performance annually.
16. Report regularly to the Board.
17. Perform any other activities consistent with this Charter, the Company's by - laws and governing law, as the Committee or the Board deems necessary or appropriate.

V. Resources

The Committee shall have the authority, at its sole discretion, to retain or obtain the advice of compensation consultants, legal counsel or other advisors (collectively, "Advisors") to assist the Committee in its responsibilities and shall be directly responsible for overseeing the work of such Advisors. Before retaining or obtaining the advice of an Advisor (other than in-house legal counsel and any Advisor whose role is limited to consulting on broad-based, non-discriminatory plans or providing information that is not customized in particular for the Company (as described in Item 407(e)(3)(iii) of Regulation S-K)), the Committee shall consider the independence of such Advisor, including any independence factors that it is required to consider by law or NASDAQ rules.

The chairperson of the Committee, at the request of any member of the Committee, may request that any officer, employee or advisor of the Company attend a meeting of the Committee or otherwise respond to Committee requests.

The Committee shall have the sole authority to determine the terms of engagement and the extent of funding necessary (and to be provided by the Company) for payment of compensation to any Advisors or other professionals retained to advise the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.