

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2013-05-16** | Period of Report: **2013-05-13**
SEC Accession No. [0001305323-13-000041](#)

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FILER

Bridgepoint Education Inc

CIK: **1305323** | IRS No.: **593551629** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-34272** | Film No.: **13852207**
SIC: **8200** Educational services

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 13, 2013**

BRIDGEPOINT EDUCATION, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34272

(Commission File Number)

59-3551629

(IRS Employer Identification No.)

13500 Evening Creek Drive North, Suite 600 San Diego, California

(Address of principal executive offices)

92128

(Zip Code)

(858) 668-2586

(Registrant's telephone number, including area code)

None

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Approval of Form of Restricted Stock Unit Agreement for 2009 Plan

On May 14, 2013, the Board of Directors of Bridgepoint Education, Inc., or the Board, upon the recommendation of the Compensation Committee, approved a form of Restricted Stock Unit Award Agreement, or the RSU Agreement, for the 2009 Plan Stock Incentive Plan, as amended and restated on May 13, 2013 and referred to herein as the Amended and Restated 2009 Stock Incentive Plan. The terms of the RSU Agreement are substantially consistent with the terms of the existing form of four-year vesting employee RSU with a revision to the vesting termination provision.

The foregoing description of the RSU Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the form of RSU Agreement attached hereto as Exhibit 99.1.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On May 14, 2013, the Board approved an amendment to our Code of Ethics. The amendment specifies that our whistleblower hotline is a permissible channel through which violations of the Code of Ethics may be reported. The amendment also includes other administrative and technical revisions. The Code of Ethics, as amended, is attached hereto as Exhibit 14.1.

Item 5.07. Submission of Matters to a Vote of Security Holders.

On May 13, 2013, we held our 2013 Annual Meeting of Stockholders at which the stockholders (1) elected Ryan Craig, Robert Hartman and Andrew M. Miller as Class I directors for a three-year term to expire at the 2016 Annual Meeting of Stockholders, (2) approved the Amended and Restated 2009 Stock Incentive Plan and (3) ratified the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2013.

The final voting results on these matters were as follows:

Proposal 1 - Election of three Class I directors for a three-year term to expire at the 2016 Annual Meeting of Stockholders:

Name	Votes For	Votes Withheld	Votes Abstained	Broker Non-Votes
Ryan Craig	43,953,320	236,739	—	6,959,637
Robert Hartman	44,017,102	172,957	—	6,959,637
Andrew M. Miller	43,259,099	930,960	—	6,959,637

Proposal 2 - Approval of the Amended and Restated 2009 Stock Incentive Plan, attached hereto as Exhibit 10.1:

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
37,544,569	6,621,192	24,298	6,959,637

Proposal 3 - Ratification of selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2013:

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
50,959,760	99,256	90,680	—

Item 8.01. Other Information.

Stock Ownership Guidelines

On May 14, 2013, the Board, upon the recommendation of the Compensation Committee, amended our stock ownership guidelines to cover non-employee members of the Board. The guidelines provide that, within five years of becoming subject to the guidelines, non-employee directors shall achieve stock ownership of a number of shares equal to the quotient of (1) an amount equal to three times the annual retainer for service on the Board (excluding retainers for committee or chair service), divided by (2) the stock price at the date of calculation.

The applicable date of calculation is the date of annual equity awards or the date of a contemplated sale by a non-employee director, provided that the initial date of calculation used for the guidelines is May 14, 2013.

Non-employee directors may satisfy their ownership guidelines with common stock in these categories:

- Shares owned directly or indirectly by the non-employee director's spouse or minor children, or a trust controlled by the non-employee director;
- Shares held in the company's tax-qualified defined contribution 401(k) plan;
- Deferred compensation payable in shares;
- Share equivalents (vested and unvested restricted stock units, deferred compensation payable in stock); and
- "In the money" exercisable stock options held directly or indirectly by the non-employee director's spouse or minor children, or a trust controlled by the non-employee director.

The amendment also revised the guidelines to clarify that only vested stock options with an exercise price less than the stock price at the date of calculation may be used to satisfy the stock ownership guidelines for covered employees and non-employee directors.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Amended and Restated 2009 Stock Incentive Plan (approved by the Company's stockholders on May 13, 2013)
14.1	Amended and Restated Code of Ethics
99.1	Form of Restricted Stock Unit Award Agreement for the 2009 Stock Incentive Plan (General - Employee Annual Grant)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 16, 2013

Bridgepoint Education, Inc.

By: /s/ Diane L. Thompson

Name: Diane L. Thompson

Title: Senior Vice President, Secretary and General Counsel

BRIDGEPOINT EDUCATION, INC.
2009 STOCK INCENTIVE PLAN
(as amended and restated May 13, 2013)

SECTION 1. INTRODUCTION.

The Company's Board of Directors originally adopted the Bridgepoint Education, Inc. 2009 Stock Incentive Plan to be effective on the Effective Date conditioned on and subject to obtaining Company stockholder approval. The Plan was approved by Company stockholders on the Effective Date. The Plan was amended and restated by the Board on March 31, 2009 and again on May 13, 2013.

The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by offering Selected Employees an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, and to encourage such Selected Employees to continue to provide services to the Company and to attract new individuals with outstanding qualifications.

The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may constitute Incentive Stock Options or Nonstatutory Stock Options), Stock Appreciation Rights, Stock Grants and Stock Units.

This Plan and all Awards shall be construed in accordance with and governed by the laws of the State of Delaware, but without regard to its conflict of law provisions. Capitalized terms shall have the meaning provided in Section 2 unless otherwise provided in this Plan or any related Stock Option Agreement, SAR Agreement, Stock Grant Agreement or Stock Unit Agreement.

SECTION 2. DEFINITIONS.

(a) **"Affiliate"** means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity. For purposes of determining an individual's "Service," this definition shall include any entity other than a Subsidiary, if the Company, a Parent and/or one or more Subsidiaries own not less than 50% of such entity.

(b) **"Award"** means any award of an Option, SAR, Stock Grant or Stock Unit under the Plan.

(c) **"Board"** means the Board of Directors of the Company, as constituted from time to time.

(d) **"Cashless Exercise"** means, to the extent that a Stock Option Agreement so provides and as permitted by applicable law, a program approved by the Committee in which payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price and any applicable tax withholding obligations (up to the maximum amount permitted by applicable law) relating to the Option.

(e) **"Cause"** means, except as may otherwise be provided in a Participant employment agreement or applicable Award agreement, (i) a conviction of a Participant for a felony crime or the failure of a Participant to contest prosecution for a felony crime, or (ii) a Participant's misconduct, fraud, disloyalty or dishonesty (as such terms may be defined by the Committee in its sole discretion), or (iii) any unauthorized use or disclosure of confidential information or trade secrets by a Participant, or (iv) a Participant's negligence, malfeasance, breach of fiduciary duties, neglect of duties, or (v) any material violation by a Participant of a written Company or Subsidiary or Affiliate policy or any material breach by a Participant of a written agreement with the Company or Subsidiary or Affiliate, or (vi) any other act or omission by a Participant that, in the opinion of the Committee, could reasonably be expected to adversely affect the Company's or a Subsidiary's or an Affiliate's business, financial condition, prospects and/or reputation. In each of the foregoing subclauses (i) through (vi), whether or not a "Cause" event has occurred will be determined by the Committee in its sole discretion and the Committee's determination shall be conclusive, final and binding.

(f) **“Change In Control”** except as may otherwise be provided in a Participant's employment agreement or Award agreement, means any of the following:

(i) The acquisition by any individual, entity or group (other than the Company or any employee benefit plan of the Company or Warburg Pincus & Co. (and its affiliated entities and investment funds) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities representing more than 50% of the voting securities of the Company entitled to vote generally in the election of directors, determined on a fully-diluted basis (“Company Voting Securities”); provided, however, that such acquisition shall not constitute a Change In Control hereunder if a majority of the holders of the Company Voting Securities immediately prior to such acquisition retain directly or through ownership of one or more holding companies, immediately following such acquisition, a majority of the voting securities entitled to vote generally in the election of directors of the successor entity;

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets; or

(iii) When a majority of the members of the Board shall not be Company Directors.

A transaction shall not constitute a Change In Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions. In addition, an IPO shall not constitute a Change In Control.

(g) **“Code”** means the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder.

(h) **“Committee”** means a committee described in Section 3.

(i) **“Common Stock”** means the Company's common stock, \$0.01 par value per share.

(j) **“Company”** means Bridgepoint Education, Inc., a Delaware corporation.

(k) **“Company Directors”** means (A) individuals who as of the Effective Date are members of the Board, (B) individuals elected or directors of the Company subsequent to the Effective Date for whose election proxies shall have been solicited by the Board, or (C) any individual elected or appointed to the Board to fill vacancies of the Board caused by death or resignation (but not by removal) or to fill newly created directorships.

(l) **“Consultant”** means an individual who performs *bona fide* services to the Company, a Parent, a Subsidiary or an Affiliate, other than as an Employee or Director or Non-Employee Director.

(m) **“Covered Employees”** means those persons whose compensation is subject to the deduction limitations of Code Section 162(m).

(n) **“Determination Date”** means the latest possible date that will not jeopardize the qualification of an Award granted under the Plan as “performance-based compensation” under Code Section 162(m).

(o) **“Director”** means a member of the Board who is also an Employee.

(p) **“Disability”** means that the Selected Employee is classified as disabled under a long-term disability policy of the Company or, if no such policy applies, the Selected Employee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(q) **“Effective Date”** means March 16, 2009.

(r) **“Employee”** means any individual who is a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.

(s) **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

(t) **“Exercise Price”** means, in the case of an Option, the amount for which a Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. “Exercise Price,” in the case

of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value in determining the amount payable to a Participant upon exercise of such SAR.

(u) **“Fair Market Value”** means the market price of a Share, determined by the Committee as follows:

(i) If the Shares were traded on a stock exchange (such as the New York Stock Exchange, the NASDAQ Global Market or NASDAQ Capital Market) at the time of determination, then the Fair Market Value shall be equal to the regular session closing price for such stock as reported by such exchange (or the exchange or market with the greatest volume of trading in the Shares) on the date of determination, or if there were no sales on such date, on the last date preceding such date on which a closing price was reported;

(ii) If the Shares were traded on the OTC Bulletin Board at the time of determination, then the Fair Market Value shall be equal to the last-sale price reported by the OTC Bulletin Board for such date, or if there were no sales on such date, on the last date preceding such date on which a sale was reported; and

(iii) If neither of the foregoing provisions is applicable, then the Fair Market Value shall be determined by the Committee in good faith using a reasonable application of a reasonable valuation method as the Committee deems appropriate.

Whenever possible, the determination of Fair Market Value by the Committee shall be based on the prices reported by the applicable exchange or the OTC Bulletin Board, as applicable, or a nationally recognized publisher of stock prices or quotations (including an electronic on-line publication). Such determination shall be conclusive and binding on all persons.

(v) **“Fiscal Year”** means the Company's fiscal year.

(w) **“Grant”** means any grant of an Award under the Plan.

(x) **“Incentive Stock Option”** or **“ISO”** means an incentive stock option described in Code Section 422.

(y) **“IPO”** means an initial public offering by the Company of the Shares.

(z) **“Non-Employee Director”** means a member of the Board who is not an Employee.

(aa) **“Nonstatutory Stock Option”** or **“NSO”** means a stock option that is not an ISO.

(ab) **“Option”** means an ISO or NSO granted under the Plan entitling the Optionee to purchase a specified number of Shares, at such times and applying a specified Exercise Price, as provided in the applicable Stock Option Agreement.

(ac) **“Optionee”** means an individual, estate or other entity that holds an Option.

(ad) **“Parent”** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the Effective Date shall be considered a Parent commencing as of such date.

(ae) **“Participant”** means an individual or estate or other entity that holds an Award.

(af) **“Performance Goals”** means one or more objective measurable performance factors as determined by the Committee with respect to each Performance Period based upon one or more of the following: (i) operating income; (ii) earnings before interest or taxes and earnings before interest, taxes, depreciation and amortization; (iii) earnings or net earnings; (iv) cash flow; (v) market share; (vi) net or gross sales or revenue; (vii) expenses or expense reduction; (viii) cost of goods sold; (ix) profit/loss or profit margin, net or gross; (x) working capital; (xi) return on equity or assets; (xii) earnings per share (diluted or basic); (xiii) economic value added, or EVA; (xiv) stock price; (xv) price/earnings ratio; (xvi) debt, or debt-to-equity or debt reduction; (xvii) accounts receivable; (xviii) writeoffs; (xix) cash; (xx) assets; (xxi) liquidity; (xxii) operations; (xxiii) research or related milestones; (xxiv) business development; (xxv) intellectual property (*e.g.*, patents); (xxvi) product development; (xxvii) regulatory activity; (xxviii) information technology; (xxix) financings; (xxx) product quality

control; (xxxvi) management; (xxxvii) human resources; (xxxviii) corporate governance; (xxxix) compliance program; (xl) legal matters; (xli) internal controls; (xlii) policies and procedures; (xliiii) accounting and reporting; (xliv) strategic alliances, licensing and partnering; (xlv) site, plant or building development; (xlvi) customer retention; (xlvii) customer satisfaction and/or (xlviii) mergers and acquisitions or divestitures; each with respect to the Company and/or one or more Affiliates or operating units as determined by the Committee in its sole discretion. Any such criteria used may be (A) measured in absolute terms, (B) measured in terms of growth, (C) compared to another company or companies, (D) measured against the market as a whole and/or according to applicable market indices, (E) measured against the performance of the Company as a whole or a segment of the Company and/or (F) measured on a pre-tax or post-tax basis (if applicable). Further, any Performance Goals may be used to measure the performance of one or more product lines or specific markets and may be measured relative to a peer group or index. Awards issued to persons who are not Covered Employees may take into account other (or no) factors.

(ag) **“Performance Period”** means any period not exceeding 36 months as determined by the Committee, in its sole discretion. The Committee may establish different Performance Periods for different Participants, and the Committee may establish concurrent or overlapping Performance Periods.

(ah) **“Plan”** means this Bridgepoint Education, Inc. 2009 Stock Incentive Plan as it may be amended from time to time.

(ai) **“Prior Equity Plans”** means the Company's Amended and Restated 2005 Stock Incentive Plan and its predecessor plans.

(aj) **“Re-Price”** means that the Company has lowered or reduced the Exercise Price of outstanding Options and/or outstanding SARs for any Participant(s) in a manner described by SEC Regulation S-K Item 402(d)(2)(viii) (or as described in any successor provision(s) or definition(s)).

(ak) **“SAR Agreement”** means the agreement described in Section 8 evidencing each Award of a Stock Appreciation Right.

(al) **“SEC”** means the Securities and Exchange Commission.

(am) **“Section 16 Persons”** means those officers, directors or other persons who are subject to Section 16 of the Exchange Act.

(an) **“Securities Act”** means the Securities Act of 1933, as amended.

(ao) **“Selected Employee”** means an Employee, Consultant, Director, or Non-Employee Director who has been selected by the Committee to receive an Award under the Plan.

(ap) **“Service”** means service as an Employee, Director, Non-Employee Director or Consultant. Service will be deemed terminated as soon as the entity to which Service is being provided is no longer either (i) the Company, (ii) a Parent, (iii) a Subsidiary or (iv) an Affiliate. A Participant's Service does not terminate if he or she is a common-law employee and goes on a *bona fide* leave of absence that was approved by the Company in writing and the terms of the leave provide for continued service crediting, or when continued service crediting is required by applicable law. However, for purposes of determining whether an Option is entitled to continuing ISO status, a common-law employee's Service will be treated as terminating ninety (90) days after such Employee went on leave, unless such Employee's right to return to active work is guaranteed by law or by a contract. Service terminates in any event when the approved leave ends, unless such Employee immediately returns to active work. The Committee determines which leaves count toward Service, and when Service terminates for all purposes under the Plan.

(aq) **“Share”** means one share of Common Stock.

(ar) **“Stock Appreciation Right”** or **“SAR”** means a stock appreciation right awarded under the Plan which provides the holder with a right to potentially receive, in cash and/or Shares, value with respect to a specific number of Shares, as provided in Section 8.

(as) **“Stock Grant”** means Shares awarded under the Plan.

(at) **“Stock Grant Agreement”** means the agreement described in Section 9 evidencing each Award of a Stock Grant.

- (au) “**Stock Option Agreement**” means the agreement described in Section 6 evidencing each Award of an Option.
- (av) “**Stock Unit**” means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.
- (aw) “**Stock Unit Agreement**” means the agreement described in Section 10 evidencing each Award of a Stock Unit.
- (ax) “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the Effective Date shall be considered a Subsidiary commencing as of such date.
- (ay) “**10-Percent Shareholder**” means an individual who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

SECTION 3. ADMINISTRATION.

(a) Committee Composition. A Committee appointed by the Board shall administer the Plan. Unless the Board provides otherwise, the Board's Compensation Committee (or a comparable committee of the Board) shall be the Committee. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

The Committee shall have membership composition which enables (i) Awards to Section 16 Persons to qualify as exempt from liability under Section 16(b) of the Exchange Act and (ii) Awards to Covered Employees to qualify as performance-based compensation as provided under Code Section 162(m) (to the extent such Awards are intended to qualify as performance-based compensation). For the avoidance of doubt, to the extent that the Board determines it to be desirable to qualify Awards granted hereunder as “performance-based compensation” within the meaning of Code Section 162(m), the Plan will be administered by a Committee of two (2) or more “outside directors” within the meaning of Code Section 162(m).

The Board may also appoint one or more separate committees of the Board, each composed of one or more directors of the Company who need not qualify under Rule 16b-3 or Code Section 162(m), that may administer the Plan with respect to Selected Employees who are not Section 16 Persons or Covered Employees, respectively, may grant Awards under the Plan to such Selected Employees and may determine all terms of such Awards. To the extent permitted by applicable law, the Board may also appoint a committee, composed of one or more officers of the Company, that may authorize Awards to Employees (who are not Section 16 Persons or Covered Employees) within parameters specified by the Board and consistent with any limitations imposed by applicable law.

Notwithstanding the foregoing, the Board shall constitute the Committee and shall administer the Plan with respect to all Awards granted to Non-Employee Directors.

- (b) Authority of the Committee. Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Such actions shall include without limitation:
- (i) determining Selected Employees who are to receive Awards under the Plan;
 - (ii) determining the type, number, vesting requirements, performance conditions (if any) and their degree of satisfaction, and other features and conditions of such Awards and amending such Awards;
 - (iii) correcting any defect, supplying any omission, or reconciling or clarifying any inconsistency in the Plan or any Award agreement;
 - (iv) accelerating the vesting, or extending the post-termination exercise term, or waiving restrictions, of Awards at any time and under such terms and conditions as it deems appropriate;
 - (v) interpreting the Plan and any Award agreements;

- (vi) making all other decisions relating to the operation of the Plan; and
- (vii) adopting such plans or subplans as may be deemed necessary or appropriate to provide for the participation by non-U.S. employees of the Company and its Subsidiaries and Affiliates, which plans and/or subplans shall be attached hereto as Appendices.

The Committee may adopt such rules or guidelines, as it deems appropriate to implement the Plan. The Committee's determinations under the Plan shall be final and binding on all persons. The Committee's decisions and determinations need not be uniform and may be made selectively among Participants in the Committee's sole discretion. The Committee's decisions and determinations will be afforded the maximum deference provided by law.

(c) Indemnification. To the maximum extent permitted by applicable law, each member of the Committee, or of the Board, or any persons (including without limitation Employees and officers) who are delegated by the Board or Committee to perform administrative functions in connection with the Plan, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any Stock Option Agreement, SAR Agreement, Stock Grant Agreement or Stock Unit Agreement, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

SECTION 4. **GENERAL.**

(a) General Eligibility. Only Employees, Consultants, Directors and Non-Employee Directors shall be eligible for designation as Selected Employees by the Committee.

(b) Incentive Stock Options. Only Selected Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, a Selected Employee who is a 10-Percent Shareholder shall not be eligible for the grant of an ISO unless the requirements set forth in Section 422(c)(5) of the Code are satisfied. If and to the extent that any Shares are issued under a portion of any Option that exceeds the \$100,000 limitation of Section 422 of the Code, such Shares shall not be treated as issued under an ISO notwithstanding any designation otherwise. Certain decisions, amendments, interpretations and actions by the Committee and certain actions by a Participant may cause an Option to cease to qualify as an ISO pursuant to the Code and by accepting an Option the Participant agrees in advance to such disqualifying action.

(c) Buyout of Awards. The Committee may at any time (i) offer to buy out for a payment in cash or cash equivalents (including without limitation Shares valued at Fair Market Value that may or may not be issued from this Plan) an Award previously granted or (ii) authorize a Participant to elect to cash out an Award previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

(d) Restrictions on Shares. Any Shares issued pursuant to an Award shall be subject to such rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall apply in addition to any restrictions that may apply to holders of Shares generally and shall also comply to the extent necessary with applicable law. In no event shall the Company be required to issue fractional Shares under this Plan.

(e) Beneficiaries. A Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. If no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate.

(f) Performance Conditions. The Committee may, in its discretion, include performance conditions in an Award. If performance conditions are included in Awards to Covered Employees that are intended to qualify as performance-based compensation under Code Section 162(m), then such Awards will be subject to the achievement of Performance Goals that shall be established and administered pursuant to the requirements of Code Section 162(m) and as described in this Section 4(f) and the provisions of this Section 4(f) shall control over any contrary provisions in the Plan. Any Performance Goals applicable to Stock Grants and/or Stock Units that are intended to qualify as performance-based compensation under Code Section 162(m) will be set by the Committee on or before the Determination Date. Before any Shares underlying an Award or any Award payments are released to a Covered Employee with respect to a Performance Period, the Committee shall certify in writing that the Performance Goals for such Performance Period have been satisfied. Without limitation, the approved minutes of a Committee meeting shall constitute such written certification. A Participant will be eligible to receive payment pursuant to an Award intended to qualify as performance-based compensation under Code Section 162(m) for a Performance Period only if the Performance Goals for such period are achieved. The Committee may appropriately adjust any evaluation of performance under a Performance Goal to exclude any of the following events that occurs during a Performance Period:

- (i) asset write-downs,
- (ii) litigation or claim judgments or settlements,
- (iii) the effect of changes in or provisions under tax law, accounting principles or other such laws or provisions affecting reported results,
- (iv) accruals for reorganization and restructuring programs and
- (v) any extraordinary non-recurring items as described in applicable accounting principles and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report for the applicable year.

Notwithstanding satisfaction of any completion of any Performance Goal, the Committee may: (A) to the extent specified at the time of grant of an Award, the number of Shares, Options, SARs, Stock Units or other benefits granted, issued, retainable and/or vested under an Award on account of satisfaction of such Performance Goals may be reduced (but not increased) by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine, (B) determine what actual Award, if any, will be paid in the event of a termination of employment as the result of a Participant's death or disability or upon a Change in Control or in the event of a termination of employment following a Change in Control prior to the end of the Performance Period, and (c) determine what actual Award, if any, will be paid in the event of a termination of employment other than as the result of a Participant's death or disability prior to a Change in Control and prior to the end of the Performance Period to the extent an actual Award would have otherwise been achieved had the Participant remained employed through the end of the Performance Period. With respect to any Awards that are intended to qualify as performance-based compensation under Code Section 162(m), prior to the Determination Date, the Committee will determine whether any significant element(s) will be included in or excluded from the calculation of any Performance Goal with respect to any Participant. In all other respects, Performance Goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Committee prior to or at the time of the issuance of an Award and which is consistently applied with respect to a Performance Goal in the relevant Performance Period. In addition, the Committee will adjust any performance criteria, Performance Goal or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock. Awards with performance conditions that are granted to Selected Employees who are not Covered Employees or any Awards to Covered Employees which are not intended to qualify as performance-based compensation under Code Section 162(m) need not comply with the requirements of Code Section 162(m).

To the extent necessary to comply with the performance-based compensation provisions of Code Section 162(m), with respect to any Award granted subject to Performance Goals and intended to qualify as "performance-based compensation" under Code Section 162(m), within the first twenty-five percent (25%) of the Performance Period, but in no event more than ninety (90) days following the commencement of any Performance Period (or such

other time as may be required or permitted by Code Section 162(m)), the Committee will, in writing, (i) designate one or more Selected Employees to whom an Award will be made, (ii) select the Performance Goals applicable to the Performance Period, (iii) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period, and (iv) specify the relationship between Performance Goals and the amounts of such Awards, as applicable, to be earned by each such Selected Employee for such Performance Period.

Notwithstanding any other provision of the Plan, any Award which is granted to a Selected Employee and is intended to constitute qualified performance-based compensation under Code Section 162(m) will be subject to any additional limitations set forth in the Code (including any amendment to Section 162(m)) or any regulations and ruling issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Code Section 162(m), and the Plan will be deemed amended to the extent necessary to conform to such requirements.

(g) No Rights as a Stockholder. A Participant, or a transferee of a Participant, shall have no rights as a stockholder (including without limitation voting rights or dividend or distribution rights) with respect to any Common Stock covered by an Option, SAR, or Stock Unit until such person becomes entitled to receive such Common Stock, has satisfied any applicable withholding or tax obligations relating to the Award and has been issued the applicable stock certificate by the Company. No adjustment shall be made for cash or stock dividends or other rights for which the record date is prior to the date when such certificate is issued, except as expressly provided in Section 11.

(h) Termination of Service. Unless the applicable Award agreement or employment agreement provides otherwise (and in such case, the Award or employment agreement shall govern as to the consequences of a termination of Service for such Awards), the following rules shall govern the vesting, exercisability and term of outstanding Awards held by a Participant in the event of termination of such Participant's Service (in all cases subject to the term of the Option or SAR as applicable): (i) if the Service of a Participant is terminated for Cause, then all Options, SARs, unvested portions of Stock Units and unvested portions of Stock Grants shall terminate and be forfeited immediately without consideration; (ii) if the Service of Participant is terminated for any reason other than for Cause, death or Disability, then the vested portion of his/her then-outstanding Options/SARs may be exercised by such Participant or his or her personal representative within three months after the date of such termination and all unvested portions of any outstanding Awards shall be forfeited without consideration as of the date of such termination; or (iii) if the Service of a Participant is terminated due to death or Disability, the vested portion of his/her then-outstanding Options/SARs may be exercised within twelve months after the date of termination of Service and all unvested portions of any outstanding Awards shall be forfeited without consideration as of the date of such termination. In the event of a termination of an Employee's Service due to Disability, an unexercised ISO will be treated as an NSO commencing as of one year and one day after such termination.

(i) Code Section 409A. Notwithstanding anything in the Plan to the contrary, the Plan and Awards granted hereunder are intended to comply with the requirements of Code Section 409A and shall be interpreted in a manner consistent with such intention. If upon a Participant's "separation from service" within the meaning of Code Section 409A, he/she is then a "specified employee" (as defined in Code Section 409A), then to the extent necessary to comply with Code Section 409A and avoid the imposition of taxes under Code Section 409A, the Company shall defer payment of "nonqualified deferred compensation" subject to Code Section 409A payable as a result of and within six (6) months following such separation from service under this Plan until the earlier of (i) the first business day of the seventh month following the Participant's separation from service, or (ii) ten (10) days after the Company receives notification of the Participant's death. Any such delayed payments shall be made without interest.

(j) Suspension or Termination of Awards. If at any time (including after a notice of exercise has been delivered) the Committee (or the Board), reasonably believes that a Participant has committed an act of Cause (which includes a failure to act), the Committee (or Board) may suspend the Participant's right to exercise any Option or SAR (or vesting of Stock Grants or Stock Units) pending a determination of whether there was in fact an act of Cause. If the Committee (or the Board) determines a Participant has committed an act of Cause, neither the Participant nor his or her estate shall be entitled to exercise any outstanding Option or SAR whatsoever and all of Participant's outstanding Awards shall then terminate without consideration. Any determination by the Committee (or the Board) with respect to the foregoing shall be final, conclusive and binding on all interested parties.

(k) Electronic Communications. Subject to compliance with applicable law and/or regulations, an Award agreement or other documentation or notices relating to the Plan and/or Awards may be communicated to Participants by electronic media.

(l) Unfunded Plan. Insofar as it provides for Awards, the Plan shall be unfunded. Although bookkeeping accounts may be established with respect to Participants who are granted Awards under this Plan, any such accounts will be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets which may at any time be represented by Awards, nor shall this Plan be construed as providing for such segregation, nor shall the Company or the Committee be deemed to be a trustee of stock or cash to be awarded under the Plan.

(m) Liability of Company Plan. The Company (or members of the Board or Committee) shall not be liable to a Participant or other persons as to: (a) the non-issuance or sale of Shares as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder; and (b) any unexpected or adverse tax consequence or any tax consequence expected, but not realized, by any Participant or other person due to the grant, receipt, exercise or settlement of any Award granted hereunder.

SECTION 5. **SHARES SUBJECT TO PLAN AND SHARE LIMITS.**

(a) Basic Limitation. The stock issuable under the Plan shall be authorized but unissued Shares or treasury Shares. Subject to adjustment as provided in Sections 5(b), 5(c) and 11, the aggregate number of Shares reserved for Awards under the Plan shall not exceed 5,000,000 Shares, plus (i) any Shares that, as of April 15, 2009, had been reserved but not issued pursuant to awards granted under the Bridgepoint Education, Inc. Amended and Restated 2005 Stock Incentive Plan (the "2005 Plan") and were not subject to any awards granted thereunder, and (ii) the number of Shares that were subject to outstanding awards under the 2005 Plan as of April 15, 2009 that have since expired or terminated prior to the date of the Company's 2013 Annual Meeting of Stockholders (the "2013 Annual Meeting"), or that expire or terminate without having been exercised in full on or after the 2013 Annual Meeting, and Shares issued pursuant to awards granted under the 2005 Plan that have been forfeited to or repurchased by the Company prior to the 2013 Annual Meeting, or that are repurchased or forfeited on or after the 2013 Annual Meeting, with the maximum number of Shares to be added to the Plan pursuant to the 2005 Plan equal to 2,038,683 Shares. The aggregate number of Shares that may be issued in connection with any single type of Award (NSOs, ISOs, SARs, Stock Grants or Stock Units) under the Plan shall be 7,038,683 Shares.

(b) Subject to adjustment as provided in Section 11, the maximum aggregate number of Shares that may be issued under the Plan as set forth in Section 5(a) shall be increased on January 1, 2010 and on each subsequent January 1 through and including January 1, 2019, by a number of Shares (the "Annual Increase") equal to the lesser of (i) two percent (2%) of the number of Shares issued and outstanding on the immediately preceding December 31, or (ii) 1,300,000 Shares, or (iii) an amount determined by the Board.

(c) Additional Shares. If Awards are forfeited or are terminated for any reason other than being exercised, then the Shares underlying such Awards shall again become available for Awards under the Plan. If SARs are exercised or Stock Units are settled in Shares, then only the number of Shares (if any) actually issued in settlement of such SARs or Stock Units shall reduce the number of Shares available under Section 5(a), as adjusted by Section 5(b), and the balance shall again become available for Awards under the Plan. If a Participant pays the Exercise Price by net exercise or by surrendering previously owned Shares (or by stock attestation) and/or, as permitted by the Committee, pays any withholding tax obligation with respect to an Award by electing to have Shares withheld or surrendering previously owned Shares (or by stock attestation), the surrendered Shares and the Shares withheld to pay taxes shall be available for issuance under the Plan and shall not count toward the maximum number of shares that may be issued under the Plan as set forth in Section 5(a), as adjusted by Section 5(b).

(d) Dividend Equivalents. Any dividend equivalents distributed under the Plan shall not be applied against the number of Shares available for Awards.

(e) Share Limits. For so long as: (x) the Company is a "publicly held corporation" within the meaning of Code Section 162(m) and (y) the deduction limitations of Code Section 162(m) are applicable to the Company's Covered Employees, then the limits specified below in this Section 5(e) shall be applicable to Awards issued under the Plan that are intended to qualify as performance-based compensation under Code Section 162(m).

(i) *Limits on Options.* No Selected Employee shall receive Options to purchase Shares during any Fiscal Year covering in excess of 750,000 Shares.

(ii) *Limits on SARs.* No Selected Employee shall receive Awards of SARs during any Fiscal Year covering in excess of 750,000 Shares.

(iii) *Limits on Stock Grants.* No Selected Employee shall receive Stock Grants during any Fiscal Year covering in excess of 750,000 Shares.

(iv) *Limits on Stock Units.* No Selected Employee shall receive Stock Units during any Fiscal Year covering in excess of 750,000 Shares.

(v) *Limit on Total Amount of All Awards.* No Selected Employee shall receive Awards during any Fiscal Year in excess of the aggregate amount of 750,000 Shares, whether such Awards are in the form of Options, SARs, Stock Grants and/or Stock Units.

(vi) *Increased Limits for First Year of Employment.* The limits expressed in the foregoing subparts (i) through (v) shall in each case be increased to 1,500,000 Shares with respect to Awards granted to a Selected Employee during the Fiscal Year of the Selected Employee's commencement of employment with the Company.

(vii) *Limit on Awards Settleable in Cash.* During any Fiscal Year, no Selected Employee shall receive Stock Units that are intended to qualify as performance-based compensation under Code Section 162(m) having an initial value greater than \$3,000,000.

(f) Non-Employee Director Share Limits. Notwithstanding any other provision of the Plan to the contrary, no Non-Employee Director shall receive Awards during any Fiscal Year in excess of the aggregate amount of 50,000 Shares, whether such Awards are in the form of Options, SARs, Stock Grants and/or Stock Units.

SECTION 6. **TERMS AND CONDITIONS OF OPTIONS.**

(a) Stock Option Agreement. Each Grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Committee deems appropriate for inclusion in a Stock Option Agreement (including without limitation any performance conditions). The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. The Stock Option Agreement shall also specify whether the Option is an ISO; if not specified then the Option shall be an NSO.

(b) Number of Shares. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall be subject to adjustment of such number in accordance with Section 11.

(c) Exercise Price. An Option's Exercise Price shall be established by the Committee and set forth in a Stock Option Agreement. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value (110% for ISO Grants to 10-Percent Shareholders) on the date of Grant.

(d) Exercisability and Term. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that the term of an Option shall in no event exceed ten years from the date of Grant (and may be for a shorter period of time than ten years). A Stock Option Agreement may provide for accelerated vesting in the event of the Participant's death, or Disability or other events. Notwithstanding the foregoing, an ISO that is granted to a 10-Percent Shareholder shall have a maximum term of five years. Notwithstanding any other provision of the Plan, no Option can be exercised after the expiration date provided in the applicable Stock Option Agreement. A Stock Option Agreement may permit an Optionee to exercise an Option before it is vested (an "early exercise"), subject to the Company's right of repurchase at the original Exercise Price of any Shares acquired under the unvested portion of the Option which right of repurchase shall lapse at the same rate the Option would have vested had there been no early exercise. In no event shall the Company be required to issue fractional Shares upon the exercise of an Option and the Committee may specify a minimum number of Shares that must be purchased in any one Option exercise.

(e) Modifications or Assumption of Options. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. For avoidance of doubt, the Committee may Re-Price outstanding Options. No modification of an Option shall, without the consent of the Optionee, alter or impair his or her rights or obligations under such Option.

(f) Assignment or Transfer of Options. Except as otherwise provided in the applicable Stock Option Agreement and then only to the extent permitted by applicable law, no Option shall be transferable by the Optionee other than by will or by the laws of descent and distribution. Except as otherwise provided in the applicable Stock Option Agreement, an Option may be exercised during the lifetime of the Optionee only by Optionee or by the guardian or legal representative of the Optionee. No Option or interest therein may be assigned, pledged or hypothecated by the Optionee during his or her lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.

SECTION 7. **PAYMENT FOR OPTION SHARES.**

(a) General Rule. The entire Exercise Price of Shares issued upon exercise of Options shall be payable in cash at the time when such Shares are purchased, except as follows and if so provided for in an applicable Stock Option Agreement:

(i) In the case of an ISO granted under the Plan, payment shall be made only pursuant to the express provisions of the applicable Stock Option Agreement. The Stock Option Agreement may specify that payment may be made in any form(s) described in this Section 7.

(ii) In the case of an NSO granted under the Plan, the Committee may, in its discretion at any time, accept payment in any form(s) described in this Section 7.

(b) Surrender of Stock. To the extent that this Section 7(b) is made applicable to an Option in a Stock Option Agreement, payment for all or any part of the Exercise Price may be made with Shares which have already been owned by the Optionee for such duration as shall be specified by the Committee. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) Cashless Exercise. To the extent that this Section 7(c) is made applicable to an Option in a Stock Option Agreement, payment for all or a part of the Exercise Price may be made through Cashless Exercise.

(d) Net Exercise. To the extent that this Section 7(d) is made applicable to an Option in a Stock Option Agreement, payment for all or a part of the Exercise Price may be made through a "net exercise" arrangement pursuant to which the number of Shares issued to the Optionee in connection with the Optionee's exercise of the Option will be reduced by the Company's retention of a portion of such Shares. Upon such a net exercise of an Option, the Optionee will receive a net number of Shares that is equal to (i) the number of Shares as to which the Option is being exercised minus (ii) the quotient (rounded down to the nearest whole number) of the aggregate Exercise Price of the Shares being exercised divided by the Fair Market Value of a Share on the Option exercise date. The number of Shares covered by clause (ii) will be retained by the Company and not delivered to the Optionee. No fractional Shares will be created as a result of a net exercise and the Optionee must contemporaneously pay for any portion of the aggregate Exercise Price that is not covered by the Shares retained by the Company under clause (ii).

(e) Other Forms of Payment. To the extent that this Section 7(e) is made applicable to an Option in a Stock Option Agreement, payment may be made in any other form that is consistent with applicable laws, regulations and rules and approved by the Committee.

SECTION 8. **TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS.**

(a) SAR Agreement. Each Award of a SAR under the Plan shall be evidenced by a SAR Agreement between the Participant and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan (including without limitation any performance conditions). A SAR Agreement may provide for a maximum limit on the amount of any payout notwithstanding the Fair Market Value on the date of exercise of the SAR. The provisions of the various SAR Agreements entered into

under the Plan need not be identical. SARs may be granted in consideration of a reduction in the Participant's other compensation.

(b) Number of Shares. Each SAR Agreement shall specify the number of Shares to which the SAR pertains and is subject to adjustment of such number in accordance with Section 11.

(c) Exercise Price. Each SAR Agreement shall specify the Exercise Price. The Exercise Price of a SAR shall not be less than 100% of the Fair Market Value on the date of Grant.

(d) Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become exercisable. The SAR Agreement shall also specify the term of the SAR which shall not exceed ten years from the date of Grant. A SAR Agreement may provide for accelerated exercisability in the event of the Participant's death, or Disability or other events and may provide for expiration prior to the end of its term in the event of the termination of the Participant's Service. A SAR may be included in an ISO only at the time of Grant but may be included in an NSO at the time of Grant or at any subsequent time, but not later than six months before the expiration of such NSO. A SAR granted under the Plan may provide that it will be exercisable only in the event of a Change In Control.

(e) Exercise of SARs. If, on the date when a SAR expires, the Exercise Price under such SAR is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR may automatically be deemed to be exercised as of such date with respect to such portion to the extent so provided in the applicable SAR agreement. Upon exercise of a SAR, the Participant (or any person having the right to exercise the SAR after Participant's death) shall receive from the Company (i) Shares, (ii) cash or (iii) any combination of Shares and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Shares subject to the SARs exceeds the Exercise Price of the Shares.

(f) Modification or Assumption of SARs. Within the limitations of the Plan, the Committee may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (including stock appreciation rights granted by another issuer) in return for the grant of new SARs for the same or a different number of Shares and at the same or a different Exercise Price. For avoidance of doubt, the Committee may Re-Price outstanding SARs. No modification of a SAR shall, without the consent of the Participant, alter or impair his or her rights or obligations under such SAR.

(g) Assignment or Transfer of SARs. Except as otherwise provided in the applicable SAR Agreement and then only to the extent permitted by applicable law, no SAR shall be transferable by the Participant other than by will or by the laws of descent and distribution. Except as otherwise provided in the applicable SAR Agreement, a SAR may be exercised during the lifetime of the Participant only by the Participant or by the guardian or legal representative of the Participant. No SAR or interest therein may be assigned, pledged or hypothecated by the Participant during his or her lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.

SECTION 9. **TERMS AND CONDITIONS FOR STOCK GRANTS.**

(a) Time, Amount and Form of Awards. Awards under this Section 9 may be granted in the form of a Stock Grant.

(b) Stock Grant Agreement. Each Stock Grant awarded under the Plan shall be evidenced by a Stock Grant Agreement between the Participant and the Company. Each Stock Grant shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan that the Committee deems appropriate for inclusion in the applicable Stock Grant Agreement (including without limitation any performance conditions). The provisions of the Stock Grant Agreements entered into under the Plan need not be identical.

(c) Payment for Stock Grants. Stock Grants may be issued with or without cash consideration under the Plan.

(d) Vesting Conditions. Each Stock Grant may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Grant Agreement. A Stock Grant Agreement may provide for accelerated vesting in the event of the Participant's death, or Disability or other events.

(e) Assignment or Transfer of Stock Grants. Except as provided in Section 14, or in a Stock Grant Agreement, or as required by applicable law, a Stock Grant awarded under the Plan shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law. Any act in violation of this Section 9(e) shall be void. However, this Section 9(e) shall not preclude a Participant from designating a beneficiary who will receive any vested outstanding Stock Grant Awards in the event of the Participant's death, nor shall it preclude a transfer of vested Stock Grant Awards by will or by the laws of descent and distribution.

(f) Voting and Dividend Rights. The holder of a Stock Grant (irrespective of whether the Shares subject to the Stock Grant are vested or unvested) awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. A Stock Grant Agreement, however, may require that the holder of such Stock Grant invest any cash dividends received in additional Shares subject to the Stock Grant. Such additional Shares subject to the Stock Grant shall be subject to the same conditions and restrictions as the Stock Grant with respect to which the dividends were paid. Such additional Shares subject to the Stock Grant shall not reduce the number of Shares available for issuance under Section 5.

(g) Modification or Assumption of Stock Grants. Within the limitations of the Plan, the Committee may modify or assume outstanding Stock Grants or may accept the cancellation of outstanding Stock Grants (including stock granted by another issuer) in return for the grant of new Stock Grants for the same or a different number of Shares. No modification of a Stock Grant shall, without the consent of the Participant, alter or impair his or her rights or obligations under such Stock Grant.

SECTION 10. **TERMS AND CONDITIONS OF STOCK UNITS.**

(a) Stock Unit Agreement. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the Participant and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan (including without limitation any performance conditions). The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical. Stock Units may be granted in consideration of a reduction in the Participant's other compensation.

(b) Number of Shares. Each Stock Unit Agreement shall specify the number of Shares to which the Stock Unit Grant pertains and is subject to adjustment of such number in accordance with Section 11.

(c) Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

(d) Vesting Conditions. Each Award of Stock Units may or may not be subject to vesting. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement. A Stock Unit Agreement may provide for accelerated vesting in the event of the Participant's death, or Disability or other events.

(e) Voting and Dividend Rights. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents which are not paid shall be subject to the same conditions and restrictions as the Stock Units to which they attach.

(f) Form and Time of Settlement of Stock Units. Settlement of vested Stock Units may be made in the form of (a) cash, (b) Shares or (c) any combination of both, as determined by the Committee. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Except as otherwise provided in a Stock Unit Agreement or a

timely completed deferral election, vested Stock Units shall be settled within thirty days after vesting. The distribution may occur or commence when all vesting conditions applicable to the Stock Units have been satisfied or have lapsed, or it may be deferred, in accordance with applicable law, to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Section 11.

(g) Creditors' Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

(h) Modification or Assumption of Stock Units. Within the limitations of the Plan, the Committee may modify or assume outstanding Stock Units or may accept the cancellation of outstanding Stock Units (including stock units granted by another issuer) in return for the grant of new Stock Units for the same or a different number of Shares. No modification of a Stock Unit shall, without the consent of the Participant, alter or impair his or her rights or obligations under such Stock Unit.

(i) Assignment or Transfer of Stock Units. Except as provided in Section 14, or in a Stock Unit Agreement, or as required by applicable law, Stock Units shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law. Any act in violation of this Section 10(i) shall be void. However, this Section 10(i) shall not preclude a Participant from designating a beneficiary who will receive any outstanding vested Stock Units in the event of the Participant's death, nor shall it preclude a transfer of vested Stock Units by will or by the laws of descent and distribution.

SECTION 11. **ADJUSTMENTS.**

(a) Adjustments. In the event of a subdivision of the outstanding Shares, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the price of Shares, a combination or consolidation of the outstanding Shares (by reclassification or otherwise) into a lesser number of Shares, a stock split, a reverse stock split, a reclassification or other distribution of the Shares without the receipt of consideration by the Company, of or on the Common Stock, a recapitalization, a combination, a spin-off or a similar occurrence, the Committee shall make equitable and proportionate adjustments to:

- (i) the maximum aggregate number of Shares specified in Section 5(a);
- (ii) clause (ii) of the Annual Increase specified in Section 5(b);
- (iii) the number and kind of securities available for Awards (and which can be issued as ISOs) under Section 5;
- (iv) the limits on Awards issued under the Plan that are intended to qualify as performance-based compensation under Code Section 162(m) under Section 5(e);
- (v) the limits on Awards issued under the Plan to Non-Employee Directors under Section 5(f);
- (vi) the number and kind of securities covered by each outstanding Award;
- (vii) the Exercise Price under each outstanding SAR and Option; and
- (viii) the number and kind of outstanding securities issued under the Plan.

(b) Participant Rights. Except as provided in this Section 11, a Participant shall have no rights by reason of any issue by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class. If by reason of an adjustment pursuant to this Section 11, a Participant's Award covers additional or different shares of stock or securities, then such additional or different shares and the Award in respect thereof shall be subject to all of the terms, conditions and restrictions which were applicable to the Award and the Shares subject to the Award prior to such adjustment.

(c) Fractional Shares. Any adjustment of Shares pursuant to this Section 11 shall be rounded down to the nearest whole number of Shares. Under no circumstances shall the Company be required to authorize or issue fractional shares and no consideration shall be provided as a result of any fractional shares not being issued or authorized.

SECTION 12. EFFECT OF A CHANGE IN CONTROL.

(a) Merger or Reorganization. In the event that the Company is a party to a merger or other reorganization, outstanding Awards shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding Awards by the surviving corporation or its parent, for their continuation by the Company (if the Company is a surviving corporation), for accelerated vesting or for their cancellation with or without consideration, in all cases without the consent of the Participant.

(b) Acceleration. Except as otherwise provided in the applicable Stock Option Agreement, SAR Agreement, Stock Unit Agreement or Stock Award Agreement, in the event that a Change In Control occurs with respect to the Company and the applicable agreement of merger or reorganization provides for assumption or continuation of Awards pursuant to Section 12(a), no acceleration of vesting shall occur. In the event that a Change In Control occurs with respect to the Company and there is no assumption or continuation of Awards pursuant to Section 12(a), all Awards shall vest and become exercisable as of immediately before such Change In Control.

SECTION 13. LIMITATIONS ON RIGHTS.

(a) Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain an employee, consultant or director of the Company, a Parent, a Subsidiary or an Affiliate. The Company and its Parents and Subsidiaries and Affiliates reserve the right to terminate the Service of any person at any time, and for any reason, subject to applicable laws, the Company's Certificate of Incorporation and Bylaws and a written employment agreement (if any).

(b) Stockholders' Rights. A Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Shares covered by his or her Award prior to the issuance of such Shares. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date when such Shares are issued, except as expressly provided in Section 11.

(c) Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Shares or other securities under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Shares or other securities pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Shares or other securities, to their registration, qualification or listing or to an exemption from registration, qualification or listing.

(d) Dissolution. To the extent not previously exercised or settled, Options, SARs, Stock Units and unvested Stock Grants shall terminate immediately prior to the dissolution or liquidation of the Company and be forfeited to the Company.

(e) Clawback Policy. The Company may (i) cause the cancellation of any Award, (ii) require reimbursement of any Award by a Participant and (iii) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with Company policies and/or applicable law (each, a "Clawback Policy"). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with the Clawback Policy.

SECTION 14. TAXES.

(a) General. A Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise in connection with his or her Award. The Company shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied.

(b) Share Withholding. The Committee in its discretion may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Company withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she

previously acquired (or by stock attestation). Such Shares shall be valued based on the value of the actual trade or, if there is none, the Fair Market Value as of the previous day. Any payment of taxes by assigning Shares to the Company may be subject to restrictions, including, but not limited to, any restrictions required by rules of the SEC. The Committee may also, in its discretion, permit a Participant to satisfy withholding or income tax obligations (up to the maximum amount permitted by applicable law) related to an Award through a sale of Shares underlying the Award or, in the case of Options, through a net exercise or Cashless Exercise.

SECTION 15. DURATION AND AMENDMENTS.

(a) Term of the Plan. The Plan, as set forth herein, is effective on the Effective Date. The Plan shall terminate on March 3, 2019 and may be terminated on any earlier date pursuant to this Section 15. This Plan will not in any way affect outstanding awards that were issued under the Prior Equity Plans or other Company equity compensation plans. No further awards may be granted under the Prior Equity Plans as of the date of an IPO.

(b) Right to Amend or Terminate the Plan. The Board may amend or terminate the Plan at any time and for any reason. No Awards shall be granted under the Plan after the Plan's termination. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules. In addition, no such amendment or termination shall be made which would impair the rights of any Participant, without such Participant's written consent, under any then-outstanding Award, provided that no such Participant consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to any law or regulation or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated. In the event any provision of this Plan shall be held illegal or invalid for any reason, such provisions will be reformed by the Board if possible and to the extent needed in order to be held legal and valid. If it is not possible to reform the illegal or invalid provisions then the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included. In the event of any conflict in terms between the Plan and any Award agreement, the terms of the Plan shall prevail and govern.

SECTION 16. EXECUTION.

To record the adoption of this restatement of the Plan by the Board, the Company has caused its duly authorized officer to execute this Plan on behalf of the Company.

BRIDGEPOINT EDUCATION, INC.

/s/ Andrew S. Clark

By: Andrew S. Clark

Title: CEO and President

**BRIDGEPOINT EDUCATION, INC.
AMENDED AND RESTATED
CODE OF ETHICS**

Amended and Restated May 14, 2013

Introduction

This Code of Ethics (the “**Code**”) sets forth policies of Bridgepoint Education, Inc., a Delaware corporation (the “**Company**”) with respect to the way we conduct ourselves individually and operate our business. The provisions of the Code are designed to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. All employees, officers and directors of the Company must comply with the provisions of the Code. References to employees contained in the Code should be understood as referring to officers and non-employee directors as well.

It is the Company's intention that the Code be our written Code of Ethics under Section 406 of the Sarbanes-Oxley Act of 2002, and that it comply with the standards set forth in Securities and Exchange Commission Regulation S-K Item 406, as well as Section 303A.10 of the New York Stock Exchange Listed Company Manual.

In the course of performing our various roles in the Company, each of us will encounter ethical questions in different forms and under a variety of circumstances. Moments of ethical uncertainty may arise in our dealings with fellow employees, with customers, or with other parties such as government entities or members of our community. Our employees should never be content with simply obeying the letter of the law, but must also strive to comport themselves in an honest and ethical manner. The Code provides rules and procedures to help our employees, officers and directors recognize and respond to situations that present ethical issues.

The reputation of the Company is our greatest asset and its value relies on the character of its employees. In order to protect this asset, the Company will not tolerate unethical behavior. Those who violate the standards in the Code will be subject to disciplinary action. If you are concerned about taking an action that may violate the Code or are aware of a violation by another employee, an officer or a director, follow the guidelines set forth in Sections 10 and 11 of the Code.

1. Compliance with Laws, Rules and Regulations

Company policy requires that all employees, officers and directors of the Company, comply fully with both the spirit and the letter of all laws, rules and regulations. This specifically includes requirements under the Higher Education Act, as amended, regulations of the United States Department of Education, the policies of accrediting agencies, as well as other state and federal laws. Whenever an applicable law, rule or regulation is unclear or seems to conflict with either another law or any provision of the Code, all employees, officers and directors are urged to seek clarification from their supervisor or the Vice President of Ethics and Compliance (“**Ethics Officer**”), the Company employee designated to handle such matters, whose contact information is set forth in Section 10 below. The Code is in addition to, and should be read in conjunction with the Company's existing policies, practices and procedures, including, but not limited to, the Company's policies on securities trades, proprietary inventions, trade secrets and employee conduct/harassment.

2. **Conflicts of Interest**

Every employee has a primary business responsibility to the Company and must avoid conflicts of interest. A conflict of interest arises when an employee takes actions or enters into relationships that could possibly oppose the interests of the Company or could possibly interfere with the employee's performance or independent judgment when carrying out his or her duties. Conflicts of interest can also arise when an employee, officer or director of the Company, or a member or his or her family, receives improper personal benefits as a result of his or her position with the Company. The Company strictly prohibits its employees from taking any action or entering into any relationship that creates, or even appears to create, a conflict of interest without the prior approval of a supervisor. The Company's principal executive officer, principal financial officer, principal accounting officer and controller must receive approval of the Board of Directors (the "**Board**") or a Board committee prior to taking any action or entering into any relationship that creates, or even appears to create, a conflict of interest.

In order to avoid such conflicts, an employee may not receive any payments, compensation, or gifts, other than gifts of nominal value (up to \$100) and in compliance with applicable laws, from any entity that does business or seeks to do business with the Company. Furthermore, employees may not use Company property, information or influence or their position in the Company for personal gain. Employees must be sensitive to other potential conflicts of interest that may arise and use their best efforts to avoid the conflict.

If an employee has any questions regarding the Company's policy on conflicts of interest or needs assistance in avoiding a potential conflict of interest, he or she is urged to seek the advice of a supervisor or the Ethics Officer.

3. **Fair Dealing**

Although the success of our Company depends on our ability to outperform our competitors, the Company is committed to achieving success by fair and ethical means. We seek to maintain a reputation for honesty and fair dealing among our competitors and the public alike. In light of this aim, the Company prohibits employees from engaging in any dishonest, unethical or illegal business practices. An exhaustive list of unethical practices cannot be provided. Instead, the Company relies on the judgment of each individual employee to avoid such practices. Furthermore, each employee should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair business practice.

4. **Books and Records, Accounting Controls and Disclosures**

The Company requires that all its books and records be maintained accurately and with honesty. This requires that no fund, asset, liability, revenue or expense be concealed or improperly or incompletely recorded for any purpose. All entries must be supported by documentation adequate to permit the books and records to be verified by audit. Proper accounting requires not only careful compliance by the Company's accountants, but also the cooperation of all employees who are involved in keeping financial records of any type.

The Company's accounting controls and procedures are essential to ensuring the accurate reporting of the Company's financial information. The Audit Committee of the Board has the responsibility of reviewing the Company's policies and practice with respect to financial reporting. By conducting this review, the Audit Committee of the Board helps the Company identify deficiencies in its practices so that they can be promptly corrected. Auditors will have unrestricted access to all Company documents and records. All employees are required to cooperate fully with internal and external audits, especially as it relates to audits of our system of internal controls, financial statements or accounting books and records. In no case may an employee make a false or misleading statement to any internal or external auditor, withhold records, or otherwise interfere with an audit. No employee should coerce, manipulate, mislead, or unduly influence any auditor. An employee who has knowledge of any unreported or improperly reported financial activity must report such information to a supervisor, the Ethics Officer or to the Chairman of the Audit Committee of the Board pursuant to our Accounting, Internal Accounting Controls and Auditing Complaint Reporting Procedures.

The Company recognizes that the investment community derives information regarding the Company's financial condition primarily from the Company's filings with the Securities and Exchange Commission. To promote the transparency of its financial operations, the Company has a strict policy requiring that all filings with the Securities and Exchange Commission be fair, accurate, timely and understandable.

5. **Waivers**

The Company expects all employees, officers and directors to comply with the provisions of the Code. Any waiver of the Code for executive officers or directors may be made only by the Board or a Board committee and will be promptly



disclosed to the public as may be required by law and the rules of The New York Stock Exchange. When necessary, a waiver will be accompanied by appropriate controls designed to protect the Company.

6. **Corporate Opportunities**

Employees, officers and directors are prohibited from (i) taking for themselves personal opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position, (ii) using corporate property, information or position for personal gain, and (iii) competing with the Company. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

7. **Confidentiality**

All employees, officers and directors must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is expressly authorized by the Ethics Officer or is legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

8. **Protection and Proper Use of Company Assets**

All employees, officers and directors should protect the Company's assets and endeavor to ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes and not for personal use, other than incidental personal use, unless such use is either (i) part of a compensation or expense reimbursement program, or (ii) approved by the Ethics Officer.

9. **Gifts and Entertainment**

Business gifts and entertainment are designed to build goodwill and sound working relationships among business partners. A problem may arise if:

- The receipt of favors, gifts or entertainment (examples include anything of value, including meals, lodging, discounts, loans, cash, favorable terms on any product or service, services, equipment, prizes, products, transportation, use of vehicles or vacation facilities, stocks or other securities, home improvements, tickets, and gift certificates) by one of our employees would compromise, or could reasonably be viewed as compromising that person's ability to make objective and fair business decisions on behalf of the Company; or
- The offering by one of our employees of a gift or entertainment appears to be a bribe or other attempt to obtain business or any special advantage through improper means, or could reasonably be viewed as such an attempt.

Employees, officers, and directors must use good judgment to ensure there are no violations of these principles, and will use reasonable efforts to cause their immediate family members to do the same.

Cash gifts or their equivalent (e.g., gift cards or vouchers) may not be accepted under any circumstances.

The following non-cash gifts, when permitted under applicable law, are permitted under this Code:

- (a) any non-cash gift with a nominal value (generally, less than US \$100.00); gifts of \$100.00 or more per occasion may be appropriate depending on the context.
- (b) appropriate, customary and reasonable meals, celebratory events and entertainment at which the giver is present, such as an occasional business meal or sporting event; or
- (c) any gifts based on family or personal relationships that are not intended to influence the Company's business.

Any questions about whether any gifts or proposed gifts are appropriate should be directed to the Company's Ethics Officer.

10. **Compliance Resources**

In some situations, an employee may be uncertain how to comply with the Code. This uncertainty may concern the ethical nature of the employee's own acts or the employee's duty to report the unethical acts of another. When determining the proper course of action, the employee should carefully analyze the situation and seek guidance from his or her supervisor, the

Ethics Officer or other appropriate personnel in accordance with the following four steps:

- A. *Gather all the facts.* Do not take any action that may violate the Code until you have gathered all the facts that are required to make a well-informed decision and, if necessary, you have consulted with your supervisor or the Ethics Officer.
- B. *Action illegal or contrary to the Code.* If you believe that the Code has been violated by an employee, an officer or a director, you must promptly report the violation in accordance with the procedures set forth in Section 11.
- C. *Discuss the problem with your supervisor.* It is your supervisor's duty to assist employees in complying with the Code. Feel free to discuss the situation with your supervisor if you have any questions. You will suffer no retaliation for seeking such guidance.
- D. *If necessary, seek additional resources.* The Ethics Officer will be available to speak with you about problematic situations if you do not feel comfortable approaching your direct supervisor. You may also request assistance in writing by sending a request to the Vice President of Ethics and Compliance, c/o Bridgepoint Education, Inc., 13500 Evening Creek Drive North, Suite 500, San Diego, CA 92128.

11. **Reporting Procedures**

All employees have a duty to report any violations of the Code, as well as violations of any laws, rules, or regulations. Employees also have a duty to report any transaction or relationship that could reasonably be expected to give rise to a conflict of interest, including any potential conflict of interest which may arise with respect to an immediate family member. If you are aware of a potential conflict of interest or if you believe that the Code has been violated by an employee, you must promptly report the violation to his or her direct supervisor or the Ethics Officer. If a report is made to a supervisor, the supervisor must in turn report the violation to the Ethics Officer. All violations by an officer or director of the Company must be reported directly to the Ethics Officer. Employees may also choose to report any violations regarding record keeping, financial accounting or financial reporting to the Chairman of the Audit Committee of the Board, pursuant to the Company's Accounting, Internal Accounting Controls and Auditing Complaint Reporting Procedures.

Reports may be made in person, by e-mail, by telephone or in writing by sending a description of the violation and the names of the parties involved to the appropriate personnel mentioned in the preceding paragraph. Reports may also be made directly through the Whistleblower Hotline. The Whistleblower Hotline is available through the Company intranet at <https://bridgepointeducation.alertline.com/>, or by calling 800-683-6217. Reports to the Ethics Officer may be sent to the following address: Bridgepoint Education, Inc., 13500 Evening Creek Drive North, Suite 500, San Diego, CA 92128. Reports to the Audit Committee of the Board should be submitted to the Chairman of the Audit Committee of the Board at the same street address.

When reporting a violation, you may choose to remain anonymous. However, if you make an anonymous report, you should create and preserve your own record of this report in order to be able to demonstrate your compliance with the requirement of reporting violations. Generally speaking, every effort will be made to maintain the confidentiality of reports of potential violations. However, there may be a point where the identity of the reporting employee may become known or may have to be revealed in the course of the investigation or to take corrective action.

The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations. Any employee who attempts to or encourages others to retaliate against an individual who has reported a violation will be subject to disciplinary action.

12. **Disciplinary Action**

The Company has implemented the following disciplinary policies to ensure that prompt and consistent actions are taken in response to violations of the Code:

- A. *Range of Penalties.* Any and all violations of the Code will be treated seriously and may result in the prompt imposition of penalties which may include (1) an oral or written warning, (2) a reprimand, (3) suspension, and/or (4) termination. Violations will also be reported to the appropriate regulatory agencies or other authorities.
- B. *Disciplinary Process.* The penalty for a particular violation will be decided on a case-by-case basis and will depend on the nature and severity of the violation as well as the employee's history of non-compliance and cooperation in the disciplinary process. Significant penalties will be imposed for violations resulting from



intentional, reckless, or negligent behavior. Penalties may also be imposed when an employee fails to report a violation due to the employee's indifference, deliberate ignorance, reckless, or negligent conduct. Where there is credible evidence of a violation, the Ethics Officer will determine the appropriate sanction with the assistance of the General Counsel and the Audit Committee of the Board.

13. **Dissemination and Amendment**

The Code shall be distributed to each new employee, officer and director of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed annually to each employee, officer and director of the Company, and each employee, officer and director shall sign an acknowledgment that he or she has received, read and understood the Code and will comply with its terms.

The Company reserves the right to amend, alter or terminate the Code at any time for any reason. The most current version of the Code can be obtained from the Company's Ethics Officer.

This document is not an employment contract between the Company and any of its employees, officers or directors.

Code of Ethics of Bridgepoint Education, Inc. Receipt and Acknowledgment

The undersigned has received and carefully read a copy of the Code of Ethics of Bridgepoint Education, Inc. and understands the rules and procedures described therein and the importance of compliance therewith. The undersigned hereby agrees to comply with the terms of the Codes of Ethics.

Signature

Print Name

Date

EACH EMPLOYEE, OFFICER AND DIRECTOR IS REQUIRED TO SIGN, DATE AND RETURN THIS ACKNOWLEDGMENT TO THE HUMAN RESOURCES DEPARTMENT WITHIN 30 DAYS OF ISSUANCE. FAILURE TO DO SO MAY RESULT IN DISCIPLINARY ACTION.

BRIDGEPOINT EDUCATION, INC.
2009 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Unless otherwise defined herein, the terms defined in the Bridgepoint Education, Inc. 2009 Stock Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Award Agreement (the "Award Agreement").

I. NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant Name:

Address:

You have been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number _____

Date of Grant _____

Vesting Commencement Date _____

Number of Restricted Stock Units _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Unit will vest in accordance with the following schedule:

Twenty-five percent (25%) of the Restricted Stock Units will vest on the first (1st) anniversary of the Vesting Commencement Date ("VCD") and twenty-five percent (25%) of the Restricted Stock Units will vest on each anniversary of the VCD thereafter, so that all Restricted Stock Units will be fully vested on the four-year anniversary of the VCD.

In the event Participant ceases to provide Service for any or no reason before the applicable vesting dates set forth above, then Participant's right to acquire any Shares hereunder with respect to any of the Restricted Stock Units that remain unvested as of the date Participant ceases to provide Service will immediately terminate.

If Participant provides Service on the Date of Grant in a capacity other than (or in addition to) a faculty member, then the Participant shall be deemed for purposes of this Award Agreement to have ceased providing Service upon the earlier of (i) the date he or she ceases for any reason to provide Service, or (ii) the first date on which the Participant is employed by the Company or any Subsidiary solely in the capacity of an adjunct faculty member.

By Participant's signature and the signature of the representative of Bridgepoint Education, Inc. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Company upon any questions relating to the Plan and Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT:

BRIDGEPOINT EDUCATION, Inc.

Signature

By

Print Name

Title

Residence Address:
