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EDUCATION



November 12, 2014

This Employee Handbook (Handbook) is intended to set forth the policies and procedures for Bridgepoint Education, Inc, and its subsidiaries (hereinafter called the “Company”):

- Ashford University
- University of the Rockies

This Handbook supersedes all previous Handbooks and policies, and reflects recent administrative changes.

Any questions you may have regarding the contents of this Handbook should be directed to your supervisor or to a Human Resources representative.

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Bridgepoint Education Overview

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Section I

The Employee Handbook (Handbook) reflects the policies, obligations, responsibilities, rights, and privileges pertaining to all employees of Bridgepoint Education, Ashford University, and University of the Rockies (collectively, Bridgepoint Education), in effect as of the date of publication. All employees of Bridgepoint Education or its subsidiaries (referred to as “the Company”) are required to be familiar with and abide by the terms and provisions of this Handbook as conditions of their employment with the Company. The mere distribution of this Handbook via the Company Intranet will serve as sufficient justification for an employee’s accountability to these policies and procedures.

This Handbook rescinds all prior related administrative policies and procedures and all handbooks or personnel documents previously issued. This Handbook shall remain the policy of Bridgepoint Education and its subsidiaries until amended or replaced. This Handbook represents company-wide policy and takes precedence over policy promulgated by other sub-units and/or sub-divisions within Bridgepoint Education or its subsidiaries. This does not preclude other units within the Company from issuing policy documents in accordance with established Company procedures, which are separate from this Handbook; however, while all such documents may amplify, add detail to, and expand upon policies contained in the Handbook, any policy disputes shall be resolved in favor of the policies contained in this Handbook.

All employees of Bridgepoint Education, Ashford University, and University of the Rockies are required to make themselves familiar with and abide by the terms and provisions of this chapter as conditions of their employment with the Company.

I.1 Mission Statements

Bridgepoint Education provides high quality, innovative education services to enrich the lives and communities the company serves.

Ashford University provides accessible, affordable, innovative, high-quality learning opportunities and degree programs that meet the diverse needs of individuals pursuing integrity in their lives, professions, and communities.

University of the Rockies provides high-quality, accessible learning opportunities globally for diverse groups of individuals seeking preparation for life goals, professional practice, service, and distinguished leadership.

I.2 Modifications/Hard Copies

Any modifications and/or additions to policies, regulations and procedures contained herein will be updated and communicated Company wide. Proposals for changes, additions, and/or modifications to the official policies and provisions may be submitted in writing by any member of Bridgepoint Education, Ashford University, or University of the Rockies to the Human Resources office in CA.

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The Arbitration Agreement contained in Section 2.24 of this Employee Handbook will not be unilaterally revised, modified, or eliminated by the Company with respect to any covered dispute after that dispute has been submitted to arbitration pursuant to the Arbitration Agreement. Nor will the Company revise, modify or eliminate the Arbitration Agreement without giving at least thirty (30) days written notice to employees.

Official copies of this handbook will be maintained in the President's office of each University, Vice President of Academic Affairs office, Campus President's Office and Human Resources offices in IA, CA, and CO.

I.3 Equal Employment Opportunity and Non-Discrimination

The Company is committed to complying with all applicable laws providing equal employment opportunities. The Company is an equal opportunity employer and will not discriminate against any employee or applicant for employment in an unlawful manner. Federal and state laws and our company policies and practices ensure that all job applicants and employees have equal opportunities in every aspect of employment activities including hiring, firing, promotion, demotion, training, and/or compensation.

Employment decisions are based on an individual's qualifications as they relate to the job under consideration. The Company's policy prohibits unlawful discrimination based on sex, race, color, religion, sexual orientation, national origin, ancestry, citizenship, pregnancy, childbirth and related medical conditions, marital status, registered domestic partnership status, age, physical disability, mental disability, genetic information, medical condition (including certain cancer-related conditions and genetic characteristics), gender identity, military and veteran status, service in the uniformed services¹, political activities and affiliations, or any other consideration made unlawful by federal, state or local laws. This commitment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including supervisory and non-supervisory employees. No person shall be denied the benefits of, or be subjected to discrimination in employment, recruitment, consideration or selection.

The Company is also committed to ensuring equal employment opportunities to individuals with a disability. The Company will make reasonable accommodations that are necessary to comply with state and federal disability discrimination laws for known physical or mental limitations of any applicant or employee with a disability under the law.

As a part of our commitment to make reasonable accommodations, the company also wishes to participate in a timely, good faith, interactive process with the applicant with a disability or employee with a disability to determine effective reasonable accommodations, if any, that can be made in response to a request for accommodations. If you are an individual with a

disability who is qualified, and requires accommodations to perform the essential functions of your job or the job you seek, you should contact the Human Resources Director as soon as possible to request the opportunity to participate in a timely interactive process. You should specify what reasonable accommodation can be made to assist you to perform the essential functions of the position you seek or occupy. The Company will then work with you to identify reasonable accommodations that are appropriate and consistent with our legal obligations.

The Company will not engage in unlawful discrimination in employment against any person. The Company will ensure that applicants are considered, and that employees are treated during employment, without regard to their sex, race, color, religion, sexual orientation, national origin, ancestry, citizenship, pregnancy, childbirth and related medical conditions, marital status, registered domestic partnership status, age, physical disability, mental disability, genetic information, medical condition (including certain cancer-related conditions and genetic characteristics), gender identity, military or veteran status, service in the uniformed services, political activities and affiliations, in accordance with the laws of the United States and the States of California, Iowa and Colorado. Such action shall include, but not be limited to, affirmative efforts with respect to employment, upgrading, demotion, transfer, recruitment or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Furthermore, the Company shall post, in conspicuous places, notices setting forth the provisions of this non discrimination policy. The Company shall, in all solicitations or advertisements for all employees placed by or on behalf of the Company, state that all applicants who are qualified will receive consideration for employment without regard to sex, race, color, religion, sexual orientation, national origin, ancestry, citizenship, pregnancy, childbirth and related medical conditions, marital status, registered domestic partnership status, age, physical disability, mental disability, genetic information, medical condition (including certain cancer-related conditions and genetic characteristics), gender identity, military or veteran status, service in the uniformed services, political activities and affiliations, in accordance with local, state, and Federal law.

¹ Service in the uniformed services is defined by the Uniformed Services Employment and Reemployment Rights Act of 1994.

Section 2

2.1 Classifications of Employee Status

The following terms shall be defined as provided below.

Exempt and non-exempt employee status

The terms “exempt” and “non-exempt” are classifications derived from the duties performed by an employee, not from the title assigned to a position. Exempt employees, by the nature of their responsibilities, are exempt from overtime compensation, under both state and federal law.

Non-exempt employees are required to record their hours and are entitled to overtime compensation after first obtaining supervisory approval.

Off the clock work by non-exempt employees is prohibited

Work performed by non-exempt employees prior to clocking in at the start of their work shift, during their lunch break when they are clocked out, or after they have clocked out at the end of their work shift is considered working “off the clock” and is strictly prohibited. Checking company issued laptops or cell phones and responding to company emails or text messages while not being clocked in is considered working “off the clock”. Overtime worked without prior supervisory approval or working “off the clock” may result in disciplinary action, up to and including possible termination of employment.

Employees hired as administrative, executive, or professional employees under state and federal wage and hour laws are exempt from overtime pay.

- Full-time: An employee whose customary, authorized work schedule requires 40 or more hours of work per work week.
- Part-time: An employee whose customary, authorized work schedule requires less than 40 hours of work per work week. There is no eligibility for benefits other than stated herein.
- Temporary Full-Time: This classification is assigned for work on a full-time schedule of 40 hours a week for a specific period of time less than twelve (12) months. There is no eligibility for benefits.
- Temporary Part-Time: This classification is assigned for work fewer than 40 hours a week for less than twelve months. There is no eligibility for benefits in this classification.

2.2 Employee Status Designation

Upon hire, each employee will be designated as either a regular employee or a temporary employee. Employees will be considered a “temporary employee” if hired to work on a temporary basis, such as to complete a particular project or to perform a job of limited duration. The Company reserves the right to extend the duration of temporary employee status at the Company’s sole discretion. However, an employee will not change from temporary to any other employee status or classification simply because of the length of time spent as a temporary employee. The status of a temporary employee may

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change only if the employee is notified in writing of the change in status by a representative of the Human Resources office. A temporary employee is not eligible to earn, accrue or participate in any Company benefit programs. Furthermore, temporary employee status does not count towards service time should a temporary employee become a regular employee at a later date.

2.3 Recruitment

Recruitment must be conducted in compliance with the equal employment opportunity commitments of the Company. Employees and agents of the Company are prohibited from violating applicable federal, state or local non-discrimination laws in conducting recruitment activities on behalf of the Company. Announcement of position vacancies are to be facilitated through the Talent Acquisition office.

Position Approval

All vacant positions must be budgeted and approved for hiring prior to recruitment and appointment. Please reference the company's hiring and recruitment system procedures and use the Request for Hire (REQ) link, located on the intranet under Human Resources, to log in to the system.

Position Description

All positions must have an approved job description on file in the Human Resources office prior to recruitment and appointment. Such description must contain all manifestly job-related criteria necessary for successful performance of the duties and responsibilities of the position.

Promotion and/or Reassignment

The Company hiring authorities are encouraged to explore the merits of promotion and/or reassignment of existing personnel before advertisement of the position vacancy.

2.4 Appointment

Offer of Employment

Offers of employment may only be extended in writing and must be approved in advance by the necessary persons listed on the requisition form. Any terms or conditions of employment contrary to the provisions of this Handbook must be specified in writing and be contained in an offer letter. No oral commitments or representations shall be binding on the Company.

Orientation

It shall be the duty of each supervisor to ensure each new employee completes the New Hire Orientation (as given by the Talent Acquisition), including reviewing policies, regulations and procedures of the Company and the job duties and responsibilities of the employee's position. It shall be the obligation of the employee to inform the supervisor if further orientation is necessary or desired.

Background Checks

A background check is required for all new hires. The background check guidelines are as follows:

- All New Hires - Criminal (felony & misdemeanor) and
- Social Security Trace
- All New Hires – Sex Offender Registry
- Promotions to Manager and above are subject to supplemental background checks

If the criminal history check reveals convictions which the individual disclosed in the application, the Human Resources office will review the report and evaluate each conviction, including any additional information that the individual provides, before the offer of employment is withdrawn or employment is terminated. The existence of a conviction does not automatically disqualify an individual from employment. Relevant considerations may include, but are not limited to, the nature and number of the convictions, their dates, and the relationship that a conviction has to the duties and responsibilities of the position. Any decision to accept or reject an individual with a conviction is solely at the discretion of Bridgepoint Education.

Those convictions found through the background check, but not disclosed on the Application of Employment will be considered a falsification of application and grounds for immediate termination of employment.

2.5 “At-Will” Employment

Because all employees are hired for an unspecified duration, these classifications do not guarantee employment for any specific length of time. Employment is at the mutual consent of the employee and the Company. Accordingly, either the employee or the Company can terminate the employment relationship at will, at any time, with or without cause or advance notice.

2.6 Hiring Policies

The steps to be followed in filling or creating a new position are as follows:

1. Position Approval

Hiring Manager must work with Talent Acquisition for the creation of a Requisition (REQ) for the position(s) available for hire. Please reference Bridgepoint Education (THE COMPANY), Ashford University, University of the Rockies' hiring and recruitment system procedures and use the REQ URL/Link located on InSite under Human Resources to log in to the system. Post creation, the REQ will be placed on the necessary managerial Approval Path.

2. Posting of Available Positions

Position(s) will be posted per the REQ internally and/or externally through the Talent Acquisition office.

Hiring Managers are encouraged to consult with the HR/Recruitment Office regarding the most effective advertising sources and to insure compliance.

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3. Waiver of Posting Requirement

Under special circumstances, a Hiring Manager may request a waiver of the Company posting requirement for a particular position. Requests will be evaluated on an individual basis by HR/Recruitment.

4. Interview and Candidate Selection

A minimum of one (1) interview session will be conducted, to include a final interview by the hiring manager for external hires. Two (2) Supervisory References must be checked for all new hires prior to extending an Offer of Employment. A follow-up email will be sent to the candidate regarding the results of the interview.

5. Offers of Employment and Compensation

All Offers of Employment (Full Time / Part Time / Temporary) will be sent by the Talent Acquisition Office in CA, CO, or IA. Therefore, all REQs must be complete and approved prior to the extension of a verbal and/or formal Offer of Employment. All details regarding compensation must be communicated to Talent Acquisition. Internal Employee Candidates that are promoted or transferred must have their Releasing Manager submit a Personnel Change Form (PCF). Please reference THE COMPANY's system procedures and use the PCF URL/Link, located on InSite under Human Resources, to log in to the system.

To provide guidelines and restrictions regarding those cases where relocation cost(s) are necessary for an individual to accept employment with THE COMPANY, please reference the Relocation Policy (Section 2.7). Reimbursable expenses can be granted to the New and/or Transferring Internal Employee for allowable relocation expenses consistent with good business practices, budgetary limitations of the hiring department and THE COMPANY's Relocation Policy.

Relocation expenses for a new employee, core faculty and staff may be provided if funds are available in the hiring department or University's budget. The employing unit and the following policy guidelines (subject to Internal Revenue Service regulations) will determine the total amount provided for relocation.

2.7 Relocation Policy

The Relocation Matrix provides guidelines and restrictions regarding those cases where relocation costs are necessary for an individual to accept employment with Bridgepoint Education Ashford University, or University of the Rockies,. Human Resources will determine the total amount provided for relocation, commensurate with an associate's level within the organization. Should relocated employee separate from the company prior to twelve (12) months of employment, employee would be responsible for any relocation costs associated with his/her hire.

2.8 Rehire Policy

The Company may consider former employees for rehire. As with all eligible applicants for employment, former employees are subject to the Company's hiring and selection policies. The reason for separation, performance during their previous

employment, and intervening work history will be considered before any offer is extended.

2.9 Transfer and Promotion Policy

Employees must remain in their position no less than six (6) months before being eligible to apply for or transfer to another position, and must be in their position for twelve (12) months prior to being considered for a promotion to another position within Bridgepoint Education or one of its subsidiaries. A promotion or transfer may be approved prior to the six (6) or twelve (12) month guideline only if approved by the Director of the employee's current department, the executive of the receiving department and the Vice President of Human Resources.

Employees will not be eligible for a promotion or transfer for the six (6) months following receipt of any corrective action, however consideration may be made in certain circumstances. Those promotions or transfers must be approved by the Vice President of Human Resources.

The hiring manager will be responsible for having the "Personnel Change Form" (located on the Bridgepoint Intranet under the Human Resources Department – HR Links) completed and submitted to the Human Resources department. This must be completed prior to formally offering the candidate the position, through an offer letter sent by Human Resources.

Certain transfers or promotions will be contingent upon successful completion of an additional background check for select departments. For example, if moving into the Finance or Financial Services department, the employee will be subject to a credit check. Another example would be if an employee is moving into a role that has an education requirement, the employee will be subject to verification of education credentials. Please note, if a background verification fails to come back "cleared" within 2 weeks of the transfer/promotion effective date it may jeopardize your ability to remain in the new role.

Candidates that are not selected for an internal transfer or promotion are unable to apply for the same position for 6 months. There is no waiting period to apply and interview for other opportunities within the company.

Hiring Managers are encouraged to review the personnel record of internal transfer candidates and can do so by contacting Human Resources.

Covered Employee Promotion Timing

In response to the Department of Education's Incentive Compensation regulation, employees involved in student recruitment, Title IV fund distribution, and academic advising roles (Covered Employees) are limited to no more than a single salary increase per calendar year. Covered employees may submit an increase waiver in advance of their next scheduled adjustment if they wish to remain eligible for future promotional opportunities. To request a copy of the increase waiver, employees should enter a ticket in the HR ticketing system. If the covered staff member is not selected for promotion by the end of the calendar year, they will receive their covered adjustment

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retroactive to the first of their anniversary month. A covered staff member that has already received their covered adjustment in a given year can still be promoted if their salary fits within the salary range for the new position. They cannot however receive a second increase in the calendar year, nor can they receive any promotional increase at the beginning of the following year.

2.10 Immigration Status Policy

All employees hired by the Company must present documentation establishing their identity and employment authorization in accordance with the immigration laws of the United States prior to hire and upon request of the Company at any time after hire. The following documentation listed (as listed on Federal Form I-9), if authentic, shall be sufficient to establish identity and employment authorization for an individual:

- A United States passport;
- A certificate of United States citizenship;
- A certificate of naturalization;
- An unexpired foreign passport, if the passport has an appropriate, unexpired endorsement of the U.S. Attorney General authorizing the individual's employment in the United States; or
- A resident alien card or other alien registration card

The following documentation (as listed on Federal Form I-9), if authentic, shall be sufficient to establish employment authorization for an individual:

- A social security account number
- A certificate of birth in the United States
- Other documentation evidencing authorization of employment in the United States
- Driver's license or similar document issued for the purpose of identification by a State

In addition, each employee must sign an attestation on a form authorized by the U.S. government that he/she is a citizen or national of the United States, an alien lawfully admitted for permanent residence, or an alien who is authorized under federal law or by the U.S. Attorney General to be hired, recruited, or referred for employment by the Company.

All offers of employment and continued employment for positions in the United States are conditioned on furnishing satisfactory evidence of identity and legal authority to work in the United States. Any employee failing to provide proper documentation as specified above, upon request, shall be ineligible for hire or continued employment with the Company and as a result, the employment relationship shall be terminated.

2.11 Dress Code

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image of the Company. Appropriate dress, cleanliness and good grooming must be observed by all employees at all times, and must reflect The Company's "Best in Class" mission. Although all Employees are responsible for dressing appropriately, Managers are

responsible for ensuring and/or enforcing that the appearance and personal hygiene of their employees are suitable for the work environment.

The Company maintains a professional/business casual dress requirement, absent a Company event or function that would require a more formal dress. Should an event require more formal attire, each employee is expected to dress accordingly.

"Business Casual" entails using good judgment and common sense in choosing what to wear to work. Employees should also dress in a manner that is consistent with their responsibilities, as well as keep the Company's image, and their degree of customer or vendor interaction, in mind.

Although some casual clothing is approved, professionalism should always be taken into consideration when dressing for the work day. Employees who do not meet the minimum professional attire and grooming standards may be subject to discipline, up to and including termination of employment.

Minimum professional attire for men

Jeans and a collared shirt, such as a "Polo" shirt or similar casual attire.

Minimum professional attire for women

Jeans and a business blouse, collared shirt, sweater or similar business casual attire.

Clothing that is restricted includes:

Beach flip flops **

Tennis Shoes **

T-Shirts / Tank tops **

Tube tops

Sweatshirts, sweatpants, tracksuits or "Juicy's" **

Swimwear

Ripped or torn jeans

Leggings

Shorts **

Sunglasses

Hats of any kind (ball caps, beanies, etc) **

Inappropriately logoed clothing (suggestive comments)

Clothing that is considered too revealing or shows undergarments

Attire with (**) is appropriate for "College Student Friday", the last Friday of every month.

2.12 Attendance

Attendance and punctuality are important to the efficient operation of any organization. Good attendance and punctuality are essential components of solid employee performance. Poor attendance and tardiness disrupt productivity and make it difficult to function effectively. Bridgepoint Education employment assumes a commitment to regular attendance.

Employees are expected to report to work as scheduled. Reporting an absence does not guarantee that the absence will be automatically excused. Depending upon the reason for the

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absence, the manager may require additional verification before deciding if the absence is considered excused.

The Company disapproves of attendance infractions. Repeated and excessive attendance infractions will result in disciplinary action, up to and including termination.

Attendance infractions include:

- Excessive absences
- Unexcused absences
- Excessive tardiness
- Unexcused tardiness
- Leaving work shift early without authorization
- Taking unauthorized extended rest or meal periods

Absences Due to Illness or Other Causes

An employee who cannot work because of illness or other compelling circumstance must notify her/his immediate supervisor as soon as possible so that alternate work arrangements can be made for the department. Absences due to illness are charged against accrued sick leave. Employees who have exhausted sick time must apply vacation time to absences, for payroll purposes, whether they are excused or unexcused, unless the law or this handbook states otherwise.

Notification

Employees who cannot report to work as scheduled shall notify their manager, director, or designated department representative as soon as possible, preferably before the beginning of the scheduled shift. Employees must provide the reason for absence and the estimated time of return. Notification must be to a business phone or email. Texting is not an approved form of notification.

Disciplinary action up to and including immediate termination may be imposed for absences of one (1) day or more without proper notice or justification.

Job Abandonment

Failure to report to work as scheduled for three (3) consecutive workdays will be treated by the company as an employee's job abandonment resulting in her/his voluntary resignation. In the case of job abandonment, the company will provide the employee with a written letter regarding his/her separation from employment.

2.13 Meal & Rest Periods

Rest Periods: Non-exempt employees whose total daily work time is three and one-half (3 ½) hours or more are entitled to take, and are provided with, a paid and duty-free rest period of fifteen (15) minutes during every four (4) hours of work or major fraction thereof. This means that employees are entitled to fifteen (15) minutes rest for shifts from three and one-half (3 ½) to six (6) hours in length, twenty (20) minutes for shifts of more than six (6) hours up to ten (10) hours, thirty (30) minutes for shifts of more than ten (10) hours up to fourteen (14) hours and so on. The rest breaks should be taken in the middle of each work period where practical. For example, employees who work eight (8) hours per

day should take their breaks at approximately the middle of the first half and the middle of the second half of a workday. Rest breaks shall be taken away from your desk, and at times approved in advance by the employee's supervisor.

Meal Period: Non-exempt employees are required to take an unpaid and duty free meal period of at least thirty (30) minutes before working more than five (5) hours in a workday. Non-exempt employees who work more than ten (10) hours in a work day are required to take a second unpaid and duty free meal period of at least thirty (30) minutes before working more than ten (10) hours. Employees typically receive a one (1) hour meal period per eight (8) hour shift. Employees shall be relieved of all duties during the unpaid meal period and are free to leave the premises. The meal period **MUST** be taken prior to completing five (5) hours of work. It is not permissible to save break time in order to take a longer period of time off at another time or to leave work early.

If an employee is unable to take a complete meal or rest period, or if he/she is not completely relieved of all work duties during the meal or rest periods, the employee must contact his/her supervisor or Human Resources immediately. Employees are entitled to meal and rest breaks as indicated above and the company wants to ensure that employees receive the appropriate meal and rest periods. If your supervisor does not allow you to take the appropriate meal or rest periods, please contact Human Resources immediately and provide the dates and time that you were denied a meal and/or rest period. Failure to report a rest or meal break that an employee wanted but could not take may result in disciplinary action, up to and including termination. Similarly, failure to report an incomplete or not fully relieved rest or meal period may result in disciplinary action, up to and including termination.

2.14 Tobacco-Free Policy

NOTE: For the purpose of this policy "smoking" and "tobacco" means all uses of tobacco, including cigars, cigarettes, e-cigarettes, pipes and smokeless (chewing) tobacco.

The Company has a responsibility to its employees to provide a safe and healthful environment. Research findings show that smoking and the breathing of secondhand smoke constitute a significant health hazard. In addition to direct health hazards, smoking contributes to institutional costs in other ways including cleaning and maintenance costs, as well as costs associated with employee absenteeism, health care, and medical insurance. It is, therefore, the policy of the Company to prohibit smoking, and any tobacco related products on campus (IA & CO), in buildings (CA, IA, & CO) as well as other common areas where non-smokers cannot avoid exposure to smoke. Specifically, smoking is prohibited in all buildings, including classrooms, lecture halls, laboratories, offices, work areas, study areas, reception areas, meeting rooms, lobbies, hallways, stairwells, elevators, eating areas, lounges, and restrooms, and within thirty (30) feet of all campus buildings. Furthermore, smoking is prohibited in all partially enclosed areas such as covered walkways, breezeways, and walkways between sections of buildings, bus-stop shelters, exterior stairways and landings.

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Smoking is permitted generally in outside grounds areas beyond thirty (30) feet of all buildings except at decks and patios associated with dining facilities or if it unavoidably exposes people entering and leaving adjacent buildings. Lit tobacco products must be extinguished, and tobacco residue must be placed in an appropriate ash can or other waste receptacle located outside of non-smoking areas.

Smoking breaks are to be taken in accordance with rest and lunch breaks as outlined in Section 2.13 of the Employee Handbook. In addition to instituting the above regulations, the Company on an ongoing basis makes available to employees and students information about the effects of smoking and secondhand smoke and about smoking-cessation programs primarily through the Human Resources Office.

2.15 Property Loss

If, in one's work performance, an employee should damage Company property, he/she should immediately report the incident to the supervisor.

Personal property brought to the Company is the respective employee's responsibility. In most cases the employee's personal insurance policy covers the personal property regardless of where it is located. Personal items brought to the employee's workstation or office are the responsibility of the employee and the company therefore, cannot be held responsible for any theft, loss, or damages to an employee's personal property.

2.16 Travel & Expense Policy

Introduction

We have developed a travel policy to provide Bridgepoint Education and its subsidiaries ("BPI" or the "Company") business travelers with a reasonable level of service and comfort at the lowest possible cost, and to maximize our ability to negotiate discounted rates with preferred suppliers in order to reduce travel expenses. This policy is to be used in conjunction with the Company's Executive Travel Addendum to this policy. Unless otherwise noted in the Addendum, the Executive Travel Policy will be as noted herein.

The purpose of this document is to ensure that employees have a clear understanding of the policies and procedures for business travel and entertainment expenses incurred on the Company's behalf.

- The Company will reimburse employees for all reasonable and necessary expenses while traveling on authorized Company business;
- The Company assumes no obligation to reimburse employees for expenses that are NOT in compliance with this policy;
- Travelers who do not comply with this travel policy may be subject to delay or withholding of reimbursement and may be subject to disciplinary action;
- Instances when travelers fail to book the lowest air, hotel, and rental car rates offered either through the

online tool or offline (full service) will need to be approved by appropriate management in the system.

Any questions, concerns or suggestions regarding the travel policy are to be directed to Human Resources, attn: Carol Cappadocia 800.798.0584 Ext. 4180.

Any questions, concerns or suggestions regarding the expense policy are to be directed to Corporate Finance.

Corporate Travel Credit Cards

Please note, travel and entertainment corporate credit cards are intended to be used for travel and entertainment expenses as defined herein. Other corporate expenses should be submitted and managed through procurement process and the Purchasing Department. For information on all other corporate expenses please contact Ken Heinz, Director of Corporate Purchasing at (858) 668-2586 Ext.3821.

Air Travel

Reservation Procedures

All air travel must be booked on the Concur/Cliqbook tool. You may use the Company's designated Travel Agent if you have no access to Concur/Cliqbook.

Cadence

7590 Fay Ave, Suite 204

La Jolla, CA 92037

Phone: 858-551-3000

800-949-3639

Fax: 858-551-4025

www.cadencetravel.com

Marti Cole – BPI agent

Marti's direct line – 858-551-3004

marti.cole@cadencetravel.com

Back up agent: Steven MacKnight

Steven's direct line – 858-551-6976

Steve.macknight@cadencetravel.com

Reservations should NOT be made directly with the airlines. Booking should be made as early as possible to take advantage of advance purchase discounts. Travelers are expected to use the lowest logical published airfare, as offered on the online tool or determined by the travel counselor and based on the following factors:

- The route requires no more than one stop and does not increase the total travel time by more than 2 hours each way;
- Departure/arrival time is no more than 2 hours before or after requested time;
- Savings must be significant to offset scheduling inconvenience.

Class of Service

Travelers are expected to fly economy class at all times. Upgrades to business or first class may be allowed in the following instances and with proper authorization from their direct supervisor:

- International flights longer than 6 hours in duration;

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- If Business class does not cost more than the lowest available coach fare;
- At the employee's personal expense or by redeeming frequent flyer mileage.

Electronic Ticketing

Travelers will receive electronic tickets whenever possible. At the time of reservation, travelers will be given a confirmation number and sent an itinerary/invoice by e-mail. At the airport, travelers must present their government issued photo identification to receive their boarding pass to be allowed through TSA security check points.

Boarding passes may be obtained 24 hours prior to flight time for all domestic reservations on airline websites via flight check-in process.

Travelers who forget or misplace the confirmation number must present proper identification. The passenger receipt and invoice can be obtained via the link provided with your itinerary confirmation. (Note: The passenger receipt is for expense report purposes only. Travelers do not need this receipt to board the aircraft.)

Emergency Travel Procedures

Travelers should call the 24-hour, toll-free Emergency Travel Hotline* at 800-639-8261 and mention traveler code SV23G ONLY for emergency itinerary changes or cancels while on the road or after normal business hours. This number appears on the traveler's itinerary.

*There are additional fees for this service.

Cancellations and Unused Tickets

Should travel plans change or be canceled, travelers may alter or cancel reservations by calling Cadence as soon as possible. Entire tickets can be cancelled through Concur/Cliqbook tool. Cadence will process a refund or place the nonrefundable ticket information in a "bank" for future use. Reminder: Non-refundable tickets must be used within one year of date of issue and are not transferrable (with exception of Southwest Airlines).

Airfare Payment Procedures

Airfare expenses should be paid using the traveler's corporate credit card for Travel and Entertainment. If the traveler does not maintain a corporate credit card, the airfare should be charged to the Company corporate air travel card. The traveler must set up their Concur profile correctly indicating their personal credit card should be not charged for airfare. If the travelers profile is set up incorrectly, the airfare will be charged to the travelers' personal credit card. In this case, the employee will submit the expense for reimbursement through Concur. If you have questions on how to enter in credit cards please email:

carol.cappadocia@bpiedu.com

Lost or Stolen Airline Tickets

If a paper ticket becomes lost or stolen, travelers must immediately report the loss to Cadence Travel who will assist them in filing a lost ticket application with the airline.

NOTE: Travelers who use electronic tickets need not worry about lost or stolen documents as no paper ticket is issued.

Traveler Profiles

All employees who travel at least once per year will be required to complete a traveler profile form via the Concur/Cliqbook online tool to ensure that pertinent details and preferences are adhered to within the reservation process.

The traveler is responsible for updating Concur/Cliqbook with all personal travel information changes such as charge card numbers, delivery address, phone number, title, medical restrictions, frequent flyer/guest programs, special meal requirements and seat preferences, etc.

Lodging

Making Hotel Reservations

Hotel reservations must be made via the Concur/Cliqbook tool or through Cadence and NOT directly with the hotel. Travelers are required, whenever possible, to use:

- Properties where the Company has a negotiated rate.
- Upgraded rooms will be at the traveler's own expense.
- The least expensive property in moderate or similar hotel category. Daily rates over \$200 per day are prohibited unless your direct supervisor grants an exception.
- Exempt cities on the daily rate are: Boston, Chicago, Dallas, Denver, Los Angeles, Miami, New York city, San Francisco, Washington DC.
- These cities hotel rate are exempt from the daily rate of \$200.00 but should not exceed \$300.00 per night.

Room Guarantee

Unless otherwise instructed, all hotel rooms will be guaranteed for late arrival with the traveler's corporate charge card. If the traveler does not have a corporate credit card, the traveler is to use their personal credit card to make reservations. This includes direct billed hotels.

Hotel Cancellation Procedures

Hotel cancellations should be made via the Concur/Cliqbook online tool prior to the date of travel or through Cadence by the time shown on the traveler's itinerary (usually 4:00 p.m. – 6:00 p.m.):

- Travelers should record the cancellation number in case of billing disputes.
- Travelers will be held responsible and not be reimbursed for "no-show" charges unless there is sufficient proof that the billing is in error.
- Cancellation deadlines are based on the local time of the property.

Hotel Payment Procedures

Hotel expenses should be paid using the traveler's corporate credit card for Travel and Entertainment. If the traveler does not maintain a corporate credit card, they should use their personal credit card for applicable hotel charges and submit the resulting expense report with receipts in Concur for reimbursement. No hotel reservations payments are to be made using the BPI corporate air travel card. For hotels with direct bill arrangements, the traveler is to validate that the appropriate card is being charged and obtain an itemized receipt.

Hotel Related Expenses

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All expenses on a hotel folio must be allocated to the appropriate expense category. Special items may be reimbursable under certain circumstances. Inter-net access, laundry and gym fees may be reimbursed for travel that extends 3 days or more. These can be classified as hotel expenses. In room movies are not reimbursable.

Rental Car

Making Rental Car Reservations

Travelers may rent a car at their destination when entertaining customers or traveling on Company business. Rental car reservations must be made via the Concur/Cliqbook tool and NOT directly with the car company. Travelers are required, whenever possible, to book rental cars using the Hertz, National, or Enterprise car rentals as there is a negotiated rate.

At the time of rental, the car should be inspected and any damage found should be noted on the contract before the vehicle is accepted. To avoid additional charges, every reasonable effort must be made to return the rental car intact, and on-time.

GPS rentals are acceptable expense, but upgrades to a higher class of car, insurance, other equipment including satellite radio and surcharges for returning without a full tank of gas will not be covered by the Company.

Class of Service

Travelers should book rental cars in the mid-size/intermediate category, except when:

- The traveler can be upgraded at no extra cost
- Two or more Company employees are traveling together
- Entertaining customers
- Cars in the authorized category are not available
- Transporting excess baggage such as booth displays

In such cases, the traveler can upgrade to the full-size category.

Rental Car Insurance

Rental car insurance is provided by the company. Therefore travelers should decline all rental car insurance coverage.

Rental Car Accidents

Should a rental car accident occur, travelers should immediately contact:

- Local authorities, as required
- Designated Company personnel
- Your direct supervisor
- The car rental company

If you are involved in an accident, please contact Carol Cappadocia, Senior Travel Administrator for insurance information as well as accident reporting procedures. Carol Cappadocia can be reached at 800.798.0584 Ext. 4180.

Rental Car Cancellation Procedures

Rental car cancellations should be made via the Concur/Cliqbook tool prior to the date of travel.

Rental Car Payment Procedures

Rental car expenses should be paid using the traveler's corporate credit card for Travel and Entertainment. If the traveler does not maintain a corporate credit card, they should use their personal credit card to reserve the rental car. When using Hertz, National, or Enterprise the traveler should request at the counter for the agent to issue a direct bill to the Company. If the rental car is charged to a personal credit card the traveler will submit the resulting expense report with receipts in Concur for reimbursement.

Other Transportation

Car Service

Car Service can be utilized and expensed only by Executives, Senior Management and Institutional Presidents. Car service must be reserved through approved vendors only.

Personal Car Usage Guidelines

Travelers may use their personal car for business purposes when entertaining clients or transporting Company goods for delivery. The traveler must carry adequate insurance coverage for their protection and for the protection of any passengers.

Reimbursement for Personal Car Usage

Travelers will be reimbursed for business use of personal cars based on the Federal Mileage Rate as published by the IRS. This represents reimbursement for all vehicle related expenses including gasoline, wear and tear and personal auto insurance. To be reimbursed for use of their personal car for business, travelers must provide on their expense report; the date, locations and purpose of the trip as well as documentation supporting the trip's distance, utilizing Concur's mileage calculator in place of a receipt. Additional expenses incurred during business use of personal cars such as tolls and parking should be submitted as separate expenses using the appropriate expense type.

Telephone Usage

Business Phone Calls

Travelers will be reimbursed when using their personal telephone calling cards or home phone for business phone calls, provided an original copy of the phone bill is attached to the expense report. There is no limit on authorized business calls, but travelers should use their best discretion regarding such charges.

Personal Phone Calls While Traveling

Travelers will be reimbursed for personal telephone calls while traveling on Company business:

- Up to 5 per day, not to exceed \$20.00 per day for domestic travel;
- Up to 5 per day, not to exceed \$50.00 per day for international travel.

Air-Phone Usage

Travelers may use an air-phone if an emergency or critical business issue is involved, but are strongly discouraged from doing so due to the high cost.

Hotel Telephone Usage

Travelers are allowed to use hotel phones for business and personal calls if necessary. Travelers should always attempt to place the call via a less expensive option, preferably cell phones.

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Hotel calls will be subject to the business and personal phone calls limits listed above. When staying at a hotel, travelers should determine if the property has added surcharges for local and long distance phone rates. To avoid hotel telephone surcharges, travelers should:

- Use a charge card, calling card, public phone, or call collect whenever possible;
- Make multiple calls on one long-distance access charge. Simply press the # key after each call, wait for the tone, then dial the next number;
- Use an 800 number for business calls whenever possible;
- Have the home office place the call;
- Phone from local Company offices whenever possible.

Cellular Phone Reimbursement

Travelers that have not been issued a company cell phone will be reimbursed for business calls made using personal cellular phones. An original copy of the bill must be attached to the expense report.

Travelers will be reimbursed for applicable cellular phone usage charges only (air-time and roaming). There is no limit on authorized cell phone originated business calls, but travelers should use their best discretion regarding such charges.

Meals and Entertainment

Traveler Meal Expenses

Traveling employees will be reimbursed for actual and reasonable meal expenses to \$100 per day. When charging the meal over \$200 on a company or personal credit card, the traveler must submit both the original itemized receipt and the credit card receipt that reflects tip, total receipt amount and the cardholder's signature. Expenditures over \$25 must be accompanied by an appropriate receipt, as well as a list of attendants for reimbursement.

Non-Travel Meals Expenses

Meal expenses incurred through the course of business and not associated with travel will be reimbursed up to \$100 per day. Appropriate documentation is required for all expenditures over \$25, and meals over \$200 must include an original itemized receipt and the credit card receipt that reflects tip, total receipt amount and the cardholder's signature. All meal submissions should include attendees if present.

Business Meal and Entertainment Expenses with Customers and Vendors

Travelers will be reimbursed for entertaining customers if the:

- Person entertained has a potential or actual business relationship with the company;
- Expenditure precedes, includes or follows a business discussion that would benefit the company;
- Are limited to \$100 per person maximum.

Meals and entertainment expenses should be paid for using the employee's corporate charge card. A personal credit card is appropriate to use if a corporate charge card has not been issued. Examples of entertainment expenses include dinners during which a specific business discussion takes place and events such as night clubs, theater and sporting events, in which a business discussion takes place during, immediately before, or immediately after the event.

Reimbursable Expenses

The following entertainment expenses are reimbursable:

- Concert and theater tickets
- Sporting event tickets
- Tennis court and golfing green fees
- Transportation to and from the event
- Meals and beverages consumed at the event
- Business Meals with Other Employees

Employees will be reimbursed for business-related meals taken with other employee's if one or more of the following scenarios exist:

- A client is present
- At least one Company employee is from out of town
- For confidentiality reasons, business must be conducted off Company premises
- Authorized by direct supervisor for testimonial, reward, recognition or other appropriate business purpose

When more than one employee is present at a business meal, the most senior level employee must pay and expense the bill.

Meal costs for social occasions, such as employee birthdays and secretary's day, are NOT classified as business meals expenses but can be reimbursed with special approval from applicable Director / Executive.

Tipping for Meals

Tips included on meal receipts will be reimbursed. The total cost of meals plus tips should NOT exceed the daily maximum meal allowance and should be no more than 20% of the bill. Any tips considered excessive will not be reimbursed. As a general rule, employees should not tip more than they would on a personal trip.

Payment Methods

Use of Corporate Credit Cards for business related travel and entertainment spending are to be in conjunction with the terms and conditions of the Bridgepoint Education Corporate Credit Card Policy dated May 2009.

Corporate Card Distribution

All employees who meet one or more of the following criteria may apply for a corporate charge/credit card:

- Director level or higher who incur reimbursable expenses
- Travelers who take at least five (5) business trips per year
- Travelers who spend more than \$2,000 per year on travel
- Employees who incur entertainment expenses of \$2,000 per year

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Applications for the issuance of a corporate charge/corporate credit card must be approved by the department VP and BPI's Corporate Controller.

For corporate charge/credit card information or application instructions, employees should contact Kendra Thomas, Program Administrator at 858-668-2586 Ext.4008.

Corporate Card and Traveler Benefits

The Company's corporate charge/credit card vendor is American Express. Under the terms of the Company's agreement with American Express travelers receive the following benefits:

- Travel accident insurance;
- Baggage insurance;
- Traveler reward program;
- Emergency assistance;
- Check-cashing privileges;
- Cash advances through ATMs;
- Cash/travelers cheques advantage.

Twenty-four hour customer service is available by calling 800-423-1414. An American Express representative will assist you with:

- Monthly statements and balances
- Emergency services
- Billing disputes
- Location of nearest American Express office
- Card member benefits and services

Personal charge or credit cards may be used for business travel only:

- By employees who do not meet the issuance criteria for corporate charge/credit cards
- For establishments that do not accept the corporate charge/credit card (a written explanation must be recorded on the expense report form)

Travelers will NOT be reimbursed for annual fees on personal charge or credit cards.

Corporate Card Billing and Payment Responsibility

The terms and conditions regarding the reporting of expenses and the payment of corporate credit card charges are presented in Bridgepoint Education Corporate Credit Card Policy. Please refer to that policy for detail.

Reporting Lost/Stolen Cards

Lost or stolen corporate cards must be reported immediately as the unauthorized use of stolen cards is greatest in the first few hours after the theft. To report a lost or stolen card, call 800-423-1414.

Cardholder Employee Termination

Upon termination of employment, all corporate cardholders must:

- Cut the corporate card in half and send to Kendra Thomas, Program Administrator.
- Promptly reconcile account for and pay any remaining balances.
- Submit expense report with receipts.

Expense Reporting

Timing for Expense Report Completion and Submission

Travelers must file expense reports via Concur expense tool. In order to ensure timely payment of corporate card expenses, travelers are encouraged to file reports within 30 days of incurring the expense. Expense reports filed more than 90 days after the expense transaction date will require a second level of approval.

Approval/Authorization Process

Expense reports will be approved by the employee's immediate supervisor or the next higher authority as designated.

Employees are NOT authorized to approve their own, a peer's, or a superior's travel expense report. Employee expense reports will be reviewed for calculation accuracy, approval signatures, policy compliance, business purpose, and proper supporting documents and receipts.

Documentation Requirements

Company policy requires original receipts for ALL expenditures over \$25.00. The following documentation should be submitted with all expense reports:

- Hotel – hotel folio plus charge card receipt or other proof of payment
- Rental Car – rental agreement plus charge card receipt or other proof of payment
- Meals/Entertainment – charge card receipt. Any meal over \$200 also requires an itemized cash register receipt (no restaurant tear tabs)
- Air/Rail – original passenger coupon plus invoice/itinerary or charge card receipt
- Mileage – use of Concur's mileage calculator
- Miscellaneous – receipts for all miscellaneous expenses over \$25.00. In the case of taxi or car service, the receipt must include the origin and destination of the trip.

In addition, travelers must provide the following information in order to be reimbursed for business expenditures:

- Names of individuals present, their titles and company name
- Name and location of where the meal or event took place
- Exact amount and date of the expense
- Business Purpose— A business purpose must be stated for each item submitted for payment. Including the title of the event or the topic to be discussed as the business purpose is acceptable.

Acceptable Receipts

The following receipts are acceptable for expense report documentation:

- Original itemized receipt completed by the vendor
- Customer's copy of charge card slip as proof of payment
- Original phone bill
- Electronic ticket receipt.

Actual bills/receipts must be submitted whenever possible. Photocopies are acceptable via the Concur tool. When a receipt is not available, a full explanation of the expense and the reason for the missing receipt is required through the Missing Receipt

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Affidavit. Receipts must include the name of the vendor, location, date and dollar amount.

Unacceptable Receipts

Restaurant tear tabs and photocopies are not acceptable as receipts, unless accompanied by a Missing Receipt Affidavit.

Reimbursement of Expenses

Reimbursements for approved expenses will be sent to employees within 20 business days via direct deposit OR check sent to the employee's home or office.

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete will be returned to the approval authority for corrective action and may result in delay or non-reimbursement of specific items. Disregard for company policy or altering of receipts can result in disciplinary action or termination.

Group and Meeting Travel

Group Travel Definition

Group travel policy procedures apply any time travel arrangements of any kind (air travel, lodging or ground transportation) are made for 10 or more people traveling to the same destination for a specific purpose. Group Travel includes:

- Training and sales meetings
- New product introductions
- Board of directors and stockholders meetings
- Management meetings
- Professional/technical meetings
- Incentive trips, trade shows and conventions

The group travel policy applies to meeting site selection, travel arrangements for participants and all other aspects of the meeting.

Booking Instructions for Group Travel

Any department planning to sponsor meeting events must contact: Alison Conklin, Corporate Events Manager at 800.798.0584 Ext. 3917, or Vanessa Heacock, Corporate Events Planner at 800.798.0584 Ext. 6325.

Expense Reporting for Group Travel

Whenever possible, travelers must pay for their own group travel expenses and submit an expense report for reimbursement. When expenses are incurred as a group, it is sometimes impractical to allocate a share of the expenses to each employee. Under these circumstances, the most senior employee must pay for and report the expenditure. All expense reports associated with a meeting must contain the meeting registration number provided by the meeting planner or meeting sponsor.

Seminars Sponsored by Other Organizations

Fees associated with employee attendance at conventions, meetings and seminars sponsored by outside organizations are reimbursable, with approval from the employee's direct supervisor. Internal Revenue Service (IRS) rules require that the Company report separately the cost of meals associated with such events. To comply with this regulation, travelers attending such events must complete their expense reports as follows:

- If disclosed, record the portion of the cost relating to meals on the "Meals" line.
- Record the remainder of the event costs under "Conference/Seminar Fees."

2.17 Transportation of Current and Prospective Students

Any company employee transporting current or prospective students must do so only in a vehicle rented, leased, or owned by the Company. Alternatively, the employee may use the services of a carrier that has been pre-authorized by the Legal and Compliance department. Employees must never transport current or prospective students in personal vehicles. In addition, employees who transport current or prospective students must first undergo additional background checks relating to DMV records by the Human Resources department.

Employees may not transport current students or prospective students in a ratio of one (1) employee to one (1) student.

Current and prospective students must be accompanied by a chaperone in a ratio of one (1) chaperone per fifteen (15) current or prospective students on any trip. Unless the employee is using the services of a pre-authorized carrier, the driver must be a Company employee who has undergone appropriate background checks. A chaperone cannot be both a chaperone and a driver if fifteen (15) or more students are in one (1) vehicle.

Non-employee adults who attend any portion of a trip with current or prospective students and who do not meet the definition of "immediate family" must be over the age of 18, sign a Company release and consent to and undergo a criminal background check and sex offender registry check, or, on an exception only basis, have his/her employer provide a signed letter drafted by the Company's Legal and Compliance department, indicating that the individual has successfully undergone a criminal background and sex offender registry check. Criminal background checks, sex offender registry checks, and chaperone releases are effective for one (1) year only. Immediate family is defined as husband, wife, grandchildren, (step/adoptive) mother, (step/adoptive) father, (step/adoptive) brother, (step/adoptive) sister, (step/adoptive) child, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, or grandparent.

Current and prospective students must sign appropriate releases prior to participating in any Company trip. Students must sign appropriate releases and chaperones must undergo background checks, sex offender registry checks, and sign releases as described above, even if transportation is provided by a third party if the event is sponsored by the Company. In addition, Ashford University shall be listed as an additional insured on the certificate of insurance. Release forms are available on the Intranet under the Student Services tab.

Questions relating to the transportation of current and prospective students should be directed to the Legal and Government Affairs department.

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2.18 Military Service

Bridgepoint Education and its subsidiaries proudly supports our United States military personnel. To that end, the Company observes all obligations set forth by the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Employees requiring military leave must notify their manager or director, and Human Resources in writing as soon as is reasonably possible. Along with written notice, a copy of the official military order including the required report date and expected duration of service should accompany the employee request.

2.19 Nepotism

An employee of the Company may not be the supervisor of a member of her/his immediate family; nor may she/he be the supervisor of a member of the immediate family of her/his subordinate.

An employee in a collateral assignment, such as a peer or committee member, shall not participate in the appointment, retention, promotion, determination of an individual salary, granting of a leave, or other individual employment action of the Company for a member of her or his immediate family.

For the purposes of this provision, the immediate family is defined as a spouse, domestic partner, parent, child, brother, sister, mother, father, grandparent, or any of the foregoing "step, in-law, or adoptive relative" relationships.

2.20 Conflict of Interest

A company employee shall disclose to their immediate supervisor all facts and circumstances related to any Company transactions, activities, contracts or other dealings in which they are involved or may become involved on behalf of the Company which might directly or indirectly involve them in a duality or conflict of interest. Such disclosure shall be made in writing as soon as is reasonable after the conflict or potential conflict comes to the knowledge of the employee.

A duality or conflict of interest shall be deemed to exist at any time when an interest held by the employee, or relationship maintained, prohibits or inhibits, or potentially prohibits or inhibits, the employee from exercising independent judgment in the best interests of the Company. A duality or conflict of interest shall exist whenever an employee is a director, president, general manager, or similar executive officer or owns or controls directly or indirectly a substantial interest in any non-governmental entity participating in a transaction with the Company. The immediate supervisor to whom a report of a duality or conflict of interest or potential duality or conflict of interest is given shall directly report the matter to the Immediate Supervisor who shall have the authority to administer the interest of the Company in the situation subject to the superintendence and preemption of the CEO or President and the Board.

Conflicts with Primary Company Responsibility and Outside Activities

No outside service or enterprise, professional or other, may be undertaken that might interfere with the employee's primary responsibility to the Company. The employee is encouraged to engage in outside professional activities, they must be clearly subordinate to his/her responsibilities to the Company.

Prior Authorization Required

All full-time employees must receive written authorization from her/his supervisor prior to engaging in any outside employment activity. All full-time employees engaged in outside employment activity must also annually update and receive approval from their supervisor for continued outside employment activity.

Outside Activities

Employees are required to conduct their activities on behalf of the Company with the utmost good faith and loyalty. Employees may not compete with the Company or convert business opportunities of the Company to their personal gain or advantage or the gain or advantage of another. Employees may not convert confidential information or trade secrets of the Company to their personal gain or advantage or the gain or advantage of others.

2.21 Performance Evaluations

The Performance Evaluation Process provides a means for discussing, planning and reviewing an employee's performance, so the employee knows whether he/she is meeting the company's expectations. Performance evaluations are designed to:

- Help employee understand his/her job responsibilities and minimum expectations, provide criteria by which performance will be evaluated and suggest ways in which employee can develop and improve performance.

Note: Minimum expectations can be deployed and updated at any time for any role within the organization. If minimum expectations for a position are updated or changed in a significant way, employees will be notified by their department leadership in a timely manner.

The Process

The Performance Evaluation process, with the exception of Senior Executives and employees with an Employment Contract (generally Faculty) is made up of two components:

1. Quarterly Assessments

Employees may receive an Assessment at the close of each quarter for three quarters of an annual cycle. The annual cycle for non-covered employees is January to December. The annual cycle for covered² employees is July to June. The fourth quarter

² Covered employees are those employees in positions responsible for the recruitment of students or making decisions regarding the rewarding of financial aid or any other employees identified by

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assessment for each group is replaced by the Annual Performance Evaluation. The quarterly assessments will include performance information related to an employee's role in the organization,

2. Annual Performance Evaluations

Performance Evaluations will occur on an annual cycle, as determined by your department and role in the organization (see Quarterly Assessments above). The annual performance evaluation will include competency information specific to the employee's role in the organization. Evaluations for some populations may also include strategic or functional goals based on their role.

Responsibilities

It is the responsibility of Supervisors to:

- familiarize themselves with the Performance Evaluation process, goals, competencies and procedures;
- carry out their Performance Evaluation and employee development responsibilities in a responsible and timely manner according to the deadlines and constraints mandated by the Human Resources Performance Management team.
- provide regular and ongoing feedback to employees concerning his/her performance related to the minimum expectations of their position.

It is the responsibility of Employees to:

- participate in planning and assessing their own performance goals and receiving feedback from their Manager or Supervisor.
- As with other official employment documents employees must sign the evaluation as acknowledgment of their receipt of the document

In order to be considered timely, all Annual Performance Evaluations must be completed according to the deadlines and constraints mandated by the Human Resources Performance Management team.

Failure of a supervisor to complete an Annual Performance Evaluation in a timely manner may result in disciplinary action up to and including termination.

Off-cycle evaluations of an employee may be completed at any time, with the approval of the department VP and the VP of Human Resources. The primary purpose of an off-cycle evaluation is to provide continuing feedback to an employee.

Annual Performance Evaluations - Salary Increases

Salary increases are not guaranteed and are not necessarily connected to the outcome of the annual performance evaluation.

Increases are related to the role and quality of the Employee's work. Increases may be based on the following factors, as determined by the department and Human Resources:

- Market based adjustment
- Education
- Tenure
- Merit (not applicable to any covered employee)

This policy applies to all Company employees except the Senior Executives and employees with an Employment Contract.

2.22 Corrective Action

The Company may impose corrective action, including verbal or written discipline, suspension and/or termination to address performance problems or violations of Company policies. The Company may, in its sole discretion, use whatever form of discipline is deemed appropriate, up to and including termination of employment.

The Company's use of discipline does not alter the at-will employment status of its employees. Accordingly, either the employee or the Company can terminate the employment relationship at will, at any time, with or without reason and with or without notice.

2.23 Grievance Procedure

These procedures apply to staff, faculty, and administrative employees who occupy positions other than "temporary" and have achieved regular employment status.

Any employee of the Company, regardless of status, may bring to the attention of his/her supervisor, the appropriate dean or director, or the Employee Relations Representative, allegations discussed in section A below.

Purpose, Concepts and Definitions

The purpose of this procedure is to promote prompt and efficient investigation and resolution of grievances at the Company. These procedures shall be the method for resolving grievances.

A. Grievance: The term "grievance" as defined in this policy shall apply to the following:

- A grievance is a written complaint by an individual employee or a group of employees alleging that the employee's employment rights and entitlements have been adversely affected due to a violation, misapplication or misinterpretation of Company policies, regulations, or procedures as outlined in this Handbook.
- a claim by an individual employee regarding a specific management act which is alleged to have adversely affected the employee's existing terms or conditions of employment

This grievance process does not apply to cases of alleged civil rights discrimination, sexual harassment or other forms of harassment. Guidelines and processes for complaints of discrimination or harassment are outlined in this Handbook at

Bridgepoint and its institutions as being impacted by federal regulations governing compensation.

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Section 4.2. Section 4.2 applies to all employees regardless of status.

B. Grievant: The term “grievant” shall mean a staff, faculty or administrative employee (or group of employees) employed by the Company at the time of the action giving rise to the grievance. Grievants who voluntarily resign or retire their employment with the Company shall have their pending grievance(s) immediately withdrawn and will not benefit by any subsequent settlement or disposition of any individual or group grievance.

Days: The term “working days” shall mean those days when the business offices of the Company are open. The term “calendar days” refers to all days in the month including weekends and holidays. Deadlines that fall on a day that is not a regular business day will automatically be extended to the next business day.

The commitment of both the Company and the grievant is necessary so that the grievance procedure will achieve its designed objectives.

Steps in the Grievance Procedure and time limits generally are followed as outlined below. Omission or re-ordering of one or more steps in the procedure may be approved in writing by the Vice President of Human Resources if the circumstances of the grievance justify such action. Delays in time limits at any step in the process may be requested and approved by the Company or the employee.

Offers of Settlement: Settlement offers made at any stage of this grievance process including informal resolution, shall be inadmissible as evidence in subsequent steps of this process.

Informal Resolution

It is intended that, whenever possible, all grievances and/or concerns be resolved informally, before the filing of a formal grievance. Open communication between supervisors and subordinates is encouraged so that resorting to the formal grievance steps will not be necessary.

Employees should first discuss the issues giving rise to the grievance and/or concerns with their immediate supervisors, who may be able to affect a prompt resolution. If your grievance involves your supervisor, you should address your concerns with the next higher supervisor on the organizational chart. In addition, during this informal process, the supervisor and/or employee are encouraged to contact an Employee Relations Representative for assistance in resolving grievances informally. Employee Relations will attempt to facilitate a satisfactory resolution for both parties.

Formal Resolution of Problems

Step 1 - Written Grievance

If the grievance is not resolved satisfactorily at the informal level and the grievant wishes to pursue the matter further, the grievant may file a formal written grievance with the Human Resources office within thirty (30) calendar days from the date on which the employee knew or could be expected to know of the event giving rise to the grievance.

The formal written grievance shall be submitted on the form located at

<http://insite.bridgepoint.local/dept/hr/Documents/EMPLOYEE%20GRIEVANCE%20FORM.docx>

The written grievance shall state the specific policy, regulation, or procedure alleged to have been misinterpreted, misapplied, or violated and/or the grievance must indicate the specific management act which has adversely affected the employee’s existing terms and conditions of employment. The grievance must also indicate the effect on the grievant, the date(s) of the action grieved and the relief requested.

Employees may file the written grievance by personal delivery to Human Resources at the Evening Creek location, AU Building First Floor or the grievance form may be scanned and sent via email to grievance@bridgepointeducation.com. The business hours for Human Resources are 8:00am-5:00pm Pacific Time. A grievance must be received between 8:00am-5:00pm Pacific Time. Any grievance received after 5:00pm Pacific Time will be considered filed the next business day.

Once the grievance has been accepted for processing, the Human Resources office will forward the Step 1 grievance to the employee’s supervisor unless the grievance involves the employee’s supervisor. If the grievance involves the employee’s direct supervisor, the grievance will be forwarded to the next level supervisor.

The supervisor (or appropriate level supervisor), upon receiving the grievance, shall investigate the matter as appropriate and respond to the grievant orally or in writing through the Human Resources office within fifteen (15) working days of the date the grievance was received by the supervisor. If the response is not issued within this time limit, or if the grievance is not resolved at Step 1, the grievant may appeal the grievance to Step 2.

Step 2 – Grievance Review

If the grievance is not resolved at Step 1, the grievant may proceed to Step 2 by filing a written appeal of the Step 1 decision with the Human Resources office. This written appeal to Step 2 must be received by the Human Resources office within ten (10) working days of the date of the Step 1 decision. The appeal to Step 2 shall state the issues that remain unresolved from Step 1, the specific policy, regulation, or procedure alleged to have been misinterpreted, misapplied, or violated and/or the grievance must indicate the specific management act alleged to have adversely affected the employee’s existing terms and conditions of employment. The grievance must also indicate the effect on the grievant, the date(s) of the action grieved and the relief requested. The Human Resources office will forward the Step 2 appeal to the supervisor of the Step 1 responder or his/her designee.

The Step 2 responder shall investigate the grievance as appropriate and respond to the grievant in writing through the Human Resources Department, within fifteen (15) working days from the date of receipt of the Step 2 appeal.

Step 3 - Grievance Review - Sr. Vice President of Human Resources

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Following the issuance of the Step 2 response, if the grievance is not resolved satisfactorily at Step 2, the grievant may proceed to Step 3 by filing a written appeal of the Step 2 decision with the Human Resources office. The written appeal to Step 3 must be received by the Human Resources' office within ten (10) working days of the date of the Step 2 decision. The written submission at Step 3 shall state the issues that remain unresolved, the specific policy, regulation or procedure alleged to have been misinterpreted, misapplied, or violated and/or the grievance must indicate the specific management act which has alleged to have adversely affected the employee's existing terms and conditions of employment. The grievance must also indicate the effect on the grievant, the date(s) of the action grieved and the relief requested. The Step 3 appeal will be forwarded to the Sr. Vice President for Human Resources. The Sr. Vice President of Human Resources or his/her designee will review the matter and respond to the grievant orally or in writing within twenty (20) working days from the date of the receipt of the Step 3 appeal. The decision at Step 3 shall be final and binding.

Policy on Retaliation

No employee shall be discriminated or retaliated against or otherwise treated unfairly for filing a grievance, testifying or assisting in the investigation process pursuant to this grievance procedure.

2.24 Arbitration Agreement

Introduction

Binding arbitration of disputes, rather than litigation in courts, provides an effective means for resolving issues arising in or from an employment situation. Arbitration is generally faster, cheaper and less formal for all parties. Bridgepoint Education, Ashford University, and University of the Rockies (collectively referred to as "the Company") are committed to using binding arbitration to resolve all legal disputes, whether initiated by the Company or by an employee, in a forum which provides this alternative to the court system. As a condition of employment, employees must also agree to use the arbitration forum. The Company's agreement to use binding arbitration is confirmed by this statement; your agreement is confirmed by your acceptance or continuation of employment.

Agreement

The Company and employee will utilize binding arbitration to resolve all disputes that may arise out of the employment context. Both the Company and employee agree that any claim, dispute, and/or controversy that either employee may have against the Company (or its owners, directors, officers, managers, employees, agents, affiliated entities and parties affiliated with its employee benefit and health plans) or the Company may have against employee, arising from, related to, or having any relationship or connection whatsoever with my seeking employment by, or other association with the Company, shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act.

Included Claims

Included within the scope of this agreement are all disputes, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, or any other state or federal law or regulation, equitable law, or otherwise, with exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers' Compensation Act, Employment Development Department claims, or as otherwise required by state or federal law.

However, nothing herein shall prevent an employee from filing and pursuing proceedings before the California Department of Fair Employment and Housing, or the United States Equal Employment Opportunity Commission or any other similar state agency (although if such a claim is pursued following the exhaustion of such administrative remedies, that claim would be subject to these provisions). Further, if either party's claim is within the jurisdictional limit of the small claims court (\$7,500 at the time of drafting) the party asserting such claims may opt out of this arbitration agreement and elect to pursue those claims in the small claims court.

Procedures

In addition to any other requirements imposed by law, the arbitrator selected shall be a retired Judge, or otherwise qualified individual to whom the parties mutually agree, and shall be subject to disqualification on the same grounds as would apply to a judge of such court. Except as provided in this Arbitration Agreement, the arbitration shall be held in accordance with the then current National Employment Arbitration Procedures of the American Arbitration Association, which are available at www.adr.org/employment. The arbitrator shall have the authority to order such discovery, by way of deposition, interrogatory, document production, or otherwise, as the arbitrator considers necessary to a full and fair exploration of the issues in dispute, consistent with the expedited nature of arbitration. Consistent with the efficiencies of arbitration, the arbitrator may also allow for the hearing of any motions, including motions for summary judgment or dismissal. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall not have the authority to combine individually filed arbitrations into a class action or collective action. Awards shall include the arbitrator's written reasoned opinion and a court of competent jurisdiction shall have the authority to enter a judgment upon the award.

Class Action Waiver

There will be no right or authority for any dispute to be brought, heard or arbitrated as a class, collective or representative action or as a class member in any purported class, collective action or representative proceeding. Notwithstanding any other clause contained in this Arbitration Agreement, (1) the preceding sentence shall not be severable from this Arbitration Agreement in any case in which the dispute to be arbitrated is brought as a class, collective or representative action and (2) any claim that all or part of this class action waiver is unenforceable, unconscionable,

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void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator.

Costs and Fees

Each party will pay his, her or its own attorneys fees, subject to any remedies to which that party may later be entitled under applicable law. The Company shall initially bear the administrative costs associated with conduct of the arbitration, subject to: (1) a one-time payment by the employee toward these costs that is equal to the filing fee then required by the court of general jurisdiction in the state where the employee works; and (2) any subsequent award of the arbitrator in accordance with applicable law.

Severability

Should any term or provision, or portion thereof, be declared void or unenforceable or deemed in contravention of law, it shall be severed and/or modified by the arbitrator or court and the remainder of this agreement shall be enforceable.

Entire Agreement

This agreement supersedes any and all prior agreements regarding arbitration.

Jury Waiver

Both employee and the Company give up his/her/its rights to trial by jury.

Section 3



Company Policies

3.1 General Duties and Responsibilities

Each employee is required to perform the duties and responsibilities of his/her position in a professionally competent and skillful manner, observe and abide by the policies, regulations and procedures of the Company, and undertake to conduct all authorized activities of the Company in accordance with the highest ethical standards. Each employee is required to perform such other duties as may be assigned by his/her supervisor. Employees are subject to reassignment of duties by the Company on a temporary or permanent basis as determined for the best interests of the Company.

3.2 Company Commercial Rights (Trade Secrets and Protected Information)

Bridgepoint Education has developed and operates unique educational programs and services based upon discoveries, research and know-how, and utilizing methods, techniques, designs, devices, proprietary, confidential and trade secret information which are unique to the Company, and that in performing services and conducting business with customers, the Company regularly is given access to the trade secret and confidential information of its customers under condition that the Company and its employees and agents will not improperly disclose those trade secrets or confidential information to others (hereinafter collectively referred to, along with any additions or modifications thereto, as "Protected Information"). Employees are given access to some or all of the Protected Information from time to time in the course and scope of their employment by the Company. In consideration of the employment of an employee by the Company and as a continuing condition thereto, each and every employee, by accepting employment with the Company, covenants and agrees that he/she will not, without the prior consent of the Company, disclose, directly or indirectly, to any unauthorized person or entity, or convert to his/her own advantage or the advantage of another, at any time during his/her employment or thereafter, any of the protected information or any other confidential or trade secret information of the Company or any of its customers which an employee acquires or which comes to the attention of the employee through any means or in any manner whatsoever during the course of the employee's employment with the Company. Each and every employee further covenants and agrees that as a condition of accepting employment with the Company, he/she will not directly or indirectly compete with the Company or seek to convert or divert business opportunities of the Company to the benefit of herself/himself or to the benefit of others.

No employee may use the logos, images, name, insignia, lists of names of students, alumni, benefactors or any other commercial rights of the Company for any purpose that is not within the scope of employment of the employee or for purposes unrelated to legitimate Company business without the prior written consent of the Bridgepoint CEO or the Board of Trustees.

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3.3 Code of Ethics

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 of 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

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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.

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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.

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

3.4 Insider Trading

Bridgepoint Education, Inc. (the “Company”), opposes the unauthorized disclosure of any nonpublic information acquired in the course of your service with the Company and the misuse of material nonpublic information in securities trading. Any such actions will be deemed violations of this Insider Trading Policy, as amended to date (this “Policy”). This Policy provides guidelines to officers, directors, employees and consultants of the Company and its subsidiaries, and certain related persons, with respect to transactions in the Company’s securities, including shares of the Company’s common stock (“Company Securities”).

Introductory Information

Definition of Inside Information

“Inside Information” means material, non-public information. Information is material if a reasonable investor would consider it important to the total mix of information available about the Company. Information is non-public if it has not been explicitly disclosed by the Company in a press release or report filed with the Securities and Exchange Commission (“SEC”), or by another manner involving the wide dissemination of such information to the investing public. By contrast, information would likely not be considered widely disseminated if it is available only to the Company’s employees, or if it is only available to a select group of analysts, brokers and institutional investors. Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the second business day after the day on which the information is released. If, for example, the Company were to make an announcement on a Monday, you should not trade in Company Securities until Thursday (in the case of smaller, not widely-followed companies). Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific Inside Information. Information remains non-public until it has been so disclosed and the market has had time to absorb and evaluate the information.

Examples of types of information that will frequently be material include:

- revenue or earnings information;
- operating or financial results, including student enrollment numbers and trends;
- projections of future revenues, earnings or losses;
- a proposed merger, acquisition, tender offer, joint venture or exchange offer;
- a proposed purchase or sale of significant assets or the disposition or acquisition of a significant subsidiary or division;
- a change in management or control;
- the declaration of a dividend or a change in dividend policy;

- the declaration of a stock split or other recapitalization;
- the public or private offering of additional securities, additional borrowings or credit facilities or other financing transactions;
- significant new services or lines of business;
- a change in auditors or auditor notification that its audit report may not be relied upon;
- regulatory difficulties;
- plans for substantial capital investment;
- impending bankruptcy or financial liquidity problems;
- significant litigation or disputes;
- a redemption or purchase by the Company of its securities; or
- any other information which is likely to have a significant impact on the Company.

Either positive or negative information may be material.

In general, information that is likely to affect the market price of a security is likely to be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight.

Other Definitions

“Access Personnel” include the Section 16 Insiders, and other persons who, by virtue of their position, are likely to have access to Inside Information on a more frequent basis than other Subject Persons. The Compliance Officer maintains a list of Access Personnel, which is updated from time to time. The Compliance Officer may from time to time designate certain persons as Access Personnel for purposes of this Policy if they gain access to Inside Information even for a limited period of time. All persons who, temporarily or permanently, become Access Personnel for purposes of this Policy will be given written notice.

“Blackout Period” applies to Access Personnel and is described below under the heading “Specific Procedures Applicable to Access Personnel.”

“Compliance Officer” means the General Counsel, or in the General Counsel’s absence, Dan Devine, the Chief Financial Officer, but may be changed at any time by the Company with written notice to all Subject Persons.

“Pre-Clearance Personnel” are a sub-group of Access Personnel who must obtain the approval of the Compliance Officer before engaging in any transaction in Company Securities, even outside of Blackout Periods. Not all Access Personnel are Pre-Clearance Personnel. The Compliance Officer, or a designee of the Compliance Officer, will inform people in writing if they become Pre-Clearance Personnel. All Section 16 Insiders are Pre-Clearance Personnel. A list of Pre-Clearance Personnel will be maintained by the Compliance officer, and updated from time to time by the Compliance Officer.

“Section 16 Insiders” are the executive officers and directors of the Company and its subsidiaries who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange

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Act of 1934, as amended. The Compliance Officer shall maintain a list of Section 16 Insiders, which list will be updated automatically whenever the Board changes the designation of Section 16 insiders.

“Subject Persons” are described below under the heading “Applicability of Policy to Subject Persons.”

“Trading Day” means a day on which the New York Stock Exchange is open for trading.

Applicability of Policy to Subject Persons

This Policy applies to all transactions in Company Securities, including common stock, options for common stock and other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company’s stock, whether or not issued by the Company (such as exchange-traded put or call options or swaps). It applies to all officers of the Company, all members of the Company’s Board of Directors, and all employees of the Company, and (if designated by the Compliance Officer) consultants and contractors to, the Company and its subsidiaries, and will continue to apply to such persons for a period of thirty (30) days after their separation from the Company. It also applies to members of the immediate family or household of such persons, to entities controlled by such persons, and to others to the extent the Compliance Officer determines that such persons come to have access to Inside Information. Transactions by members of a Subject Person’s immediate family or household, or by an entity controlled by such person, should be trusted for purposes of this Policy and applicable securities laws as if they were for the Subject Person’s own account; provided that this Policy does not apply to personal securities transactions of members of such a Subject Person’s immediate family or household where the purchase or sale decision is made by a third party not controlled by, influenced by or related to such persons or the Subject Person. Persons subject to this Policy are referred to as “Subject Persons.”

Any person who possesses Inside Information regarding the Company is a Subject Person for so long as the information is non-public.

The Company’s Policy

It is the policy of the Company that any Subject Person who possesses Inside Information about the Company may not buy or sell Company Securities nor engage in any other action to take advantage of, or pass on to others, that information at any time, including to spouses, family, friends, business associates, investors and experts consulting firms. This includes posting, anonymous or otherwise, of Inside Information in chat-rooms or via other electronic communications. This Policy also applies to information relating to any other company, including customers, vendors or suppliers of the Company, obtained in the course of employment by or service to the Company.

Illegality of Insider Trading

It is illegal for any Subject Person to trade in Company Securities using Inside Information about the Company. It is also illegal for any Subject Person to give Inside Information to others who may trade on the basis of that information.

Specific Policies Applicable to All Subject Persons

The Company intends to comply with the spirit as well as the letter of the insider trading laws. The Company’s policy is to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Company, whether or not the conduct is literally in violation of the law.

1. *Trading on Inside Information.* No Subject Person may trade or otherwise engage in any transaction involving a purchase or sale of Company Securities, including but not limited to, any offer to purchase or offer to sell, during any period when such person possesses Inside Information concerning the Company.

2. *Tipping.* No Subject Person may disclose (“tip”) Inside Information to any other person (including to spouses, family members, friends, business associates, investors and expert consulting firms) where such information may be used by such person for profit by trading in the securities of companies to which such information relates. No Subject Person may make recommendations or express opinions on the basis of Inside Information as to trading in Company Securities or in the securities of other companies to which Inside Information may relate.

3. *No Short Sales.* Because short sales represent a bet that a company’s stock price will decline, the Company prohibits all Subject Persons from shorting Company Securities. The Company also prohibits Subject Persons from acquiring any security or position which would increase in value if the Company’s stock price declines, such as a put option. Short sales by Section 16 Insiders are prohibited by law as well as by this Policy. Any questions as to whether a transaction is a prohibited short sale should be raised with the Compliance Officer.

4. *Confidentiality of Non-Public Information.* Non-public information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden.

5. *Publicly-Traded Options.* Given the relatively short term of publicly-traded options, transactions in options may create the appearance that a Subject Person is trading based on Inside Information and focus a Subject Person’s attention on short-term performance at the expense of the Company’s long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy. (Option positions arising from certain types of hedging transactions are governed by the next paragraph below.)

6. *Hedging Transactions.* Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit a Subject Person to continue to own Company Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Subject Person may no longer have the same objectives as the Company’s other stockholders. Therefore, the Company strongly discourages each Subject Person from

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engaging in such transactions. Any person wishing to enter into such an arrangement must first submit the proposed transaction for approval by the Compliance Officer. Any request for pre-clearance of a hedging or similar arrangement must be submitted to the Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction and must set forth a justification for the proposed transaction.

7. Margin Accounts and Pledged Securities. Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of Inside Information or otherwise is not permitted to trade in Company Securities, Subject Persons are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan, except as may be specifically approved by the Compliance Officer in advance. (Pledges of Company Securities arising from certain types of hedging transactions are governed by the paragraph above captioned "Hedging Transactions.")

Responding to Outside Inquiries For Information

In the event you receive an inquiry from someone outside of the Company, such as a stock analyst, for information, you should refer the inquiry to the Compliance Officer. The Company is required under Regulation FD (Fair Disclosure) of the U.S. federal securities laws to avoid the selective disclosure of material nonpublic information. In general, the regulation provides that when a public company discloses material nonpublic information, it must provide broad, non-exclusionary access to the information. Violations of this regulation can subject the company to SEC enforcement actions, which may result in injunctions and severe monetary penalties. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release in compliance with applicable law.

Potential Criminal and Civil Liability and/or Disciplinary Action

1. Liability for Insider Trading. Subject Persons may be subject to penalties of up to \$5,000,000 and up to 20 years in jail for engaging in transactions in securities at a time when they have knowledge of Inside Information regarding the subject company.

2. Liability for Tipping. Subject Persons may also be liable for improper transactions by any person (commonly referred to as a "tippee") to whom they have disclosed Inside Information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company's securities. The SEC has imposed large penalties even when the disclosing person did not profit from the trading. The SEC, the stock exchanges and other regulators use sophisticated electronic surveillance techniques to uncover insider trading.

3. Disciplinary Actions. Subject Persons who violate this Policy will be subject to disciplinary action by the Company, which may

include, in addition to other sanctions, ineligibility for future participation in the Company's equity incentive plans or termination of employment.

4. Stop Transfer Order. The Company may in its discretion impose or maintain stop transfer orders on securities held by subject persons during a Blackout Period.

Individual Responsibility

Every Subject Person has the individual responsibility to comply with this Policy and to ensure that any member of such person's immediate family or household, or any entity controlled by such person, complies with this Policy. Appropriate judgment should be exercised in connection with any trade or other restrictions in Company Securities. In all cases, the responsibility for determining whether a Subject Person is in possession of Inside Information rests with the Subject Person, and any action on the part of the Company, the Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate the Subject Person from liability under applicable securities laws.

There may be instances where a Subject Person suffers financial harm or other hardship or is otherwise required to forego a planned transaction because of the restrictions imposed by this Policy. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse a failure to comply with this Policy. Subject Persons who have anticipated needs for liquidity should strongly consider adopting a Rule 10b5-1 trading plan.

Applicability of Policy to Inside Information Regarding Other Companies

This Policy also applies to Inside Information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company. Civil and criminal penalties, and termination of employment, may result from trading on inside information regarding the Company's business partners. All employees should treat Inside Information about the Company's business partners with the same care required with respect to information related directly to the Company.

Specific Procedures Applicable to Access Personnel

Blackout Periods

To ensure compliance with this Policy and applicable federal and state securities laws, it is the Company's policy that all Access Personnel refrain from conducting any transactions involving the purchase or sale of Company Securities during any "Blackout Period." With respect to quarterly earnings, a Blackout Period begins on the day which is two weeks prior to the last day of a fiscal quarter, and ends upon the close of trading on the second Trading Day following public announcement of earnings for the quarter (or for the year in the case of the quarter ending December 31). For example, if the Company announces earnings for the quarter before market open on a Tuesday, and two full days of trading occur on such Tuesday and the following Wednesday, the Blackout Period would cease at the close of trading on such

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Wednesday. The Compliance Officer may extend the Blackout Period or institute new Blackout Periods in his or her sole discretion. The Compliance Officer may waive compliance with a Blackout Period if, following consultation with the Board of Directors and the Company's legal counsel, the Compliance Officer concludes that all material information concerning the Company has been publicly disclosed or, in the case of a proposed private transaction in Company Securities, that neither party to such transaction is in possession of Inside Information which is not also known by the other party.

No Access Personnel (or other Subject Person) may trade in Company securities, even if outside the Blackout Period, while in possession of Inside Information. Trading in Company Securities outside of a Blackout Period should not be considered a "safe harbor," and all Access Personnel and other Subject Persons should use good judgment at all times.

Pre-Clearance of Trades

All Pre-Clearance Personnel, as well as members of their immediate families and households and entities controlled by them, must comply with the Company's pre-clearance process prior to engaging in any trade at any time in Company Securities. Pre-Clearance Personnel must contact the Compliance Officer before commencing any trade in Company Securities and submit an Application and Certification for Trading in the form attached as Exhibit A to this policy.

When evaluating any application to trade, the Compliance Officer will complete a Pre-Clearance Checklist in the form attached as Exhibit B to this Policy and if the trade is approved, will give a written Permission to Trade in the form attached as Exhibit C to this Policy. The Permission to Trade will expire at the end of the next Trading Day following the date of written permission unless a longer period is granted in the sole discretion of the Compliance Officer. The Compliance Officer is under no obligation to approve a transaction submitted for Pre-Clearance, and may determine not to permit the transaction. If a person seeks Pre-Clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company Securities, and should not inform any other person of the restriction.

Restriction on Market Limit Orders

To prevent Access Personnel from accidentally engaging in a trade when trading is not allowed, Access Personnel may not enter any market limit orders for Company Securities except market limit orders which expire within the time allowed for trading after receiving written permission to trade from the Compliance Officer. All other market limit orders for Company Securities are prohibited. This paragraph does not apply to approved Rule 10b5-1 trading plans.

Exceptions for Blind Trusts and Pre-Arranged Trading Programs (Rule 10b5-1)

Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, provides an affirmative defense against insider trading liability for a transaction done pursuant to a "blind trust" (i.e. a trust in which investment control has been delegated to a third party, such as an institutional or professional trustee) or pursuant to a written plan,

or a binding contract or instruction, entered into in good faith at a time when the insider was not aware of Inside Information, even though the transaction in question may occur at a time when the person is aware of Inside Information. The Compliance Officer may, in appropriate circumstances, permit transactions pursuant to a blind trust or a trading program that fully complies with Rule 10b5-1 to take place during a Blackout Period or otherwise when the Subject Person is in possession of Inside Information. If you are one of the Access Personnel and you wish to establish a blind trust or trading program, you must pre-clear it with the Compliance Officer. With respect to arrangements that result or may result in transactions taking place during Blackout Periods, the Compliance Officer will review such arrangements in light of guidelines that he or she from time to time establishes, with input from the Board of Directors and Company legal counsel, if appropriate. Any such arrangements may be subject to approval by the Company's Board of Directors. The Company reserves the right to bar any transactions in Company Securities, even those pursuant to arrangements previously approved, if the Compliance Officer or the Company's Board of Directors, in consultation with legal counsel, determines that such a bar is in the best interests of the Company.

Exception for Stock Option Exercises

For purposes of this Policy, the Company considers that the exercise of stock options for cash under the Company's stock option plans is exempt from this Policy, since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the option agreement or the plan. This exception does not apply to exercises of options where the exercise price is paid by surrender of Company Securities, or to the subsequent resale of shares acquired upon exercise of options. This exception also does not apply to exercising options using a broker-assisted cashless exercise method (i.e., the broker sells Company Securities sufficient to pay the exercise price and required tax withholding).

Employee Stock Purchase Plan

This Policy does not apply to purchases of Company Securities in the employee stock purchase plan resulting from the Subject Person's periodic contribution of money to the plan pursuant to the election the Subject Person made at the time of the Subject Person's enrollment in the plan. This Policy also does not apply to purchases of Company Securities resulting from lump sum contributions to the plan, provided that the Subject Person elected to participate by lump sum payment at the beginning of the applicable enrollment period.

Stock Splits, Stock Dividends and Similar Transactions

The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class, or similar transactions.

Change in Form of Ownership

Transactions that involve merely a change in the form in which you own securities are permissible. For example, you may transfer shares to an inter vivos trust of which you are the sole beneficiary during your lifetime.

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Other Exceptions

Any other exception from this Policy must be approved by a Compliance Officer, in consultation with the Company's Board of Directors or an independent committee of the Company's Board of Directors.

Additional Information - Directors and Executive Officers

Directors and executive officers of the Company must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended. The practical effect of these provisions is that Section 16 Insiders who purchase and sell Company Securities within a six-month period must disgorge all profits to the Company whether or not they had knowledge of any Inside Information. Under these provisions, and so long as certain other criteria are met, in most cases neither the receipt of an option under the Company's option plans, nor the exercise of that option is deemed a purchase under Section 16; however, the resale of shares acquired upon the exercise of options is considered a sale under Section 16. The exercise of options by Section 16 Insiders, although not subject to short-swing liability, must be disclosed on a Form 4 filed within two business days after the exercise occurs. Moreover, no Section 16 Insider may ever make a short sale of the Company's stock. The Company has provided, or will provide, separate memoranda and other appropriate materials to its executive officers and directors regarding compliance with Section 16 and its related rules.

Inquiries

Please direct your questions as to any of the matters discussed in this Policy to the Compliance Officer. As of the date of this amended Policy, Diane L. Thompson serves as General Counsel and Compliance Officer and may be contact at 858.668.2586 (x 4062).

Duties of Compliance Officer

The duties of the Compliance Officer include the following:

1. Pre-clearance of all transactions involving the Company's securities by Pre-Clearance Personnel in order to determine compliance with the Policy, insider trading laws, Section 16 of the Securities Exchange Act of 1934, as amended, and Rule 144 promulgated under the Securities Act of 1933, as amended.
2. Assistance in the preparation of Section 16 reports (Forms 3, 4 and 5) for all Section 16 Insiders.
3. Performance of cross-checks of available materials, as required, which may include Forms 3, 4 and 5, Forms 144, officers and directors questionnaires, and reports received from the Company's stock administrator and transfer agent, to determine trading activity by officers, directors and others who have, or may have, access to Inside Information.
4. Circulation of the Policy to all Subject Persons, including Section 16 Insiders, on an annual basis, and provision of the Policy and other appropriate materials to any officers, directors employees, consultants or others who have, or may have, access to Inside Information.

5. Reviewing proposed Rule 10b5-1 trading plans of Subject Persons, and upon approval, submitting the same to the Board of Directors or a committee thereof for approval as required.

6. Assisting the Company's Board of Directors in implementation of the Policy.

Delivery of Policy

This Policy will be delivered to all directors, officers, employees and agents of the Company when they commence service with the Company. In addition, this Policy (or a summary of this Policy) will be circulated periodically. Each director, officer, employee and agent of the Company is required to acknowledge that he or she understands, and agrees to comply with, this Policy.

Administration of the Policy

All determinations and interpretations by the Compliance Officer with respect to the administration of this Policy shall be final and not subject to further review.

Certification

All Subject Persons must certify their understanding of, and intent to comply with, this Policy.

Amendments

The Company is committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Policy at any time and for any reason, subject to applicable law. A current copy of the Company's policies regarding insider trading may be obtained by contacting the Compliance Officer. .

3.5 Whistleblower Policy

Bridgepoint Education ("Bridgepoint"), as a public company, recognizes and respects the fact that it has a responsibility to its stockholders for the stewardship of company assets and resources. Bridgepoint is committed to compliance with the laws and regulations to which it is subject, and to establishing policies and procedures to interpret and comply with those laws and regulations. The Company's system of internal control over financial reporting and its operating procedures are intended to detect and to prevent or deter improper or illegal activities. To ensure a safe and confidential environment and to comply with the terms of the Sarbanes-Oxley Act of 2002, Bridgepoint has retained a confidential third-party reporting service to handle reports of any improper financial procedures.

It is Bridgepoint's policy to support and encourage its employees to report and disclose improper or illegal activities, including questionable accounting, internal accounting controls, or auditing practices, and to fully investigate such reports and disclosures. It is also Bridgepoint's policy to address any complaints that allege acts or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against employees who report, disclose or investigate improper or illegal activities and to protect those who come forward to report such activities.

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This Whistleblower Policy and Procedure (the “Policy”) governs the reporting and investigation of improper or illegal activities at Bridgepoint and its subsidiaries, including questionable accounting, internal accounting controls, or auditing practices, as well as the protection afforded to those employees who report them (the “Whistleblowers”). This Policy DOES NOT apply to or change the Company’s policies and procedures for individual employee grievances or complaints relating to job performance, terms and conditions of employment or sexual harassment which will continue to be administered and reviewed by Bridgepoint’s Human Resources Department. Bridgepoint’s Audit Committee shall have overall responsibility for implementation of this Policy, the administration of this Policy will be reviewed and managed by either the Senior Vice President/General Counsel, Vice President of Compliance or Director of Internal Audit. The Audit Committee shall be notified immediately by the Vice President of Internal Audit regarding all allegations of fraud or accounting irregularities.

Reporting Improper or Illegal Activities

To provide an outlet for complaints of improper or illegal activities relating to financial impropriety, Bridgepoint has retained the services of a third-party call center, Global Compliance, 13950 Ballantyne Corporate Place, Suite 300, Charlotte, North Carolina 28277, to take any complaints rendered by employees or other individuals regarding alleged improper or illegal activities. This third-party service is completely anonymous and reports are generated and forwarded confidentially to the Senior Vice President/General Counsel, Vice President of Compliance, and Director of Internal Audit. Employees are welcome to identify themselves, but it is not a requirement of the Policy and the process is designed to be highly confidential. The Audit Committee will receive quarterly reports on the complaints filed and issues addressed. They will provide guidance and coordinate any necessary Company action should the matter be deemed by any of the three employees receiving the complaint as giving rise to immediate action by the Committee.

Reports should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of investigative procedures. Reports should be submitted as follows:

1. Call the specifically dedicated line at Global Compliance at 800-528-5745 or in writing at 13950 Ballantyne Corporate Place, Suite 300, Charlotte, North Carolina 28277 or by using the following website:
<https://bridgepointeducation.alertline.com/gcs/welcome>.
2. Answer the questions posed by the Global Compliance employee in as detailed and accurate manner as possible.
3. Obtain follow-up information to check on the investigation, should you desire to do so.

The motivation of a Whistleblower in making a report is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report is itself considered an improper activity that the Company has the right to act upon.

Whistleblowers frequently make their reports in confidence. To the extent possible within the limitations of the law, this Policy and the need to conduct a competent investigation, confidentiality of Whistleblowers will be maintained. Whistleblowers are cautioned that their identity may become known for reasons outside of the control of the investigators. Similarly, the identity of the subject(s) of the investigation will be maintained in confidence with the same limitations.

Roles, Rights, Responsibilities and Protection of Whistleblowers

Whistleblowers provide initial information related to a reasonable belief that improper illegal activity has occurred. They have a responsibility to be specific and factual and provide any known information regarding any reported allegations. All employees of Bridgepoint have a duty to cooperate fully with investigations initiated under this Policy.

Whistleblowers are “reporting parties” not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities. They do, however, have a right to be informed of the disposition of their disclosure, absent overriding legal or other reasons. The third-party call center will provide a methodology to follow up on the investigation results confidentially.

Reprisal, retaliations, threats, coercion, intimidation or interference with the right of any Bridgepoint employee to report improper activities is strictly prohibited. No Bridgepoint employee may directly or indirectly use or attempt to use the official authority or influence of his or her positions to interfere with the right of a person to provide information under this Policy.

If an employee who has made a report under this Policy becomes the subject of such acts or actual or attempted reprisal, a complaint shall be filed with the Human Resources Department or with Global Compliance, 13950 Ballantyne Corporate Place, Suite 300, Charlotte, North Carolina 28277, or the Chairperson of the Audit Committee.

Federal protection is available to employees of public companies when they lawfully disclose information about fraudulent activities within their company. A summary of the federal protections will be provided to any employee upon request. You may contact Scott Watkinson, Senior Corporate Attorney at 866-475-0317 Ext. 4264.

Retention

Reports filed under this Policy will be documented by the Vice President of State Compliance, who shall maintain all related documentation in accordance with the policies established by the Audit Committee and the Company’s document retention policy. All related documentation shall be maintained electronically or in a secured file to which only Global Compliance, Senior Vice President/General Counsel, Vice President of State Compliance, Director of Internal Audit, and the Audit Committee members and legal counsel shall have access.

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Treatment of Reports

All reports will be taken seriously and addressed promptly, discreetly and professionally. Discussions and documentation regarding reports will be kept in strict confidence to the extent appropriate or permitted by policy or law. Should the person submitting the report identify himself or herself, the Senior Vice President/General Counsel, Vice President of State Compliance, or Director of Internal Audit will communicate to the employee the steps to be taken to address this report and the results of any Company actions initiated. This confidential report process may be used either to submit a new report, or to address an employee's previous report, which employee believes was inadequately resolved.

3.6 Communications Policy

Public Relations, Marketing & Media

Bridgepoint Education and its subsidiaries wants to ensure that accurate and consistent information is communicated at all times. The Company takes a proactive role in implementing current technology in electronic communications and marketing in order to fulfill business requirements. The company must be compliant with all state and federal regulations and maintain good business relationships within the community. Only approved personnel may act as spokespersons to represent Bridgepoint Education, Ashford University, and/or University of the Rockies. Approved personnel include the CEO, CEO selected members of executive management, or Shari Winet Rodriguez, Vice President of Public Relations at 858-668-2580 or at Ext 2513.

- All media and press inquiries are to be handled by the Bridgepoint Education Public Relations Department and are to be immediately forwarded to the Vice President of Public Relations.
- Employees must coordinate and obtain approval from the Vice President of Public Relations for any public presentations on behalf of the company.
- Employees are not allowed to engage in or approve any vendor endorsement agreements or to provide testimonials that could imply endorsement without prior approval from the Vice President of Public Relations.
- Employees are not allowed to conduct mass marketing campaigns.
- Any external mass communications must be approved by the Vice President of Public Relations to include insignia; names; logos; lists of donors, alumni or students; or other confidential or proprietary information of the Company that is restricted or not made generally available.
- In any event, employees should not allow an outside activity to interfere with their primary obligations to the Company.
- As a general matter, the Company does not comment on on-going investigations & pending legal matters.

The CEO of Bridgepoint Education, the Campus Director's office, the Human Resources office, the Campus President's office, or the employee's immediate supervisor are the proper venues for

obtaining advice on matters relating to possible conflicts of interest or the interpretation and/or application of the aforementioned policies. (See also, Conflicts of Interest, Section 2.20).

3.7 Computer and Internet Use Policy

The Company provides employees with computers and internet access for business purposes. Occasional personal use is permitted, but only if it does not interfere with the employee's performance of duties and does not violate Company policy.

The Company is committed to its equal employment opportunity policies as well as applicable state and federal laws. The Company does not condone or tolerate any form of unlawful harassment or discrimination regarding our employees, applicants or students. In using the computer or internet, employees are prohibited from engaging in any conduct, activities, communications, or postings that violate these policies and principles. Employees should refrain from any conduct that violates the rights of others to be free of unlawful harassment or discrimination.

With the exception of a limited number of employees who are expressly authorized and required to access, review or post information on all blogs or social media in the course and scope of their employment, all other employees may only use computer or other electronic communication devices to access, review or post information on blogs or social media that are company sponsored. Employees also may not use a Company computer or other Company electronic communications device to forward videos or links to videos from internet sites except for legitimate business purposes.

Employees are reminded that all computers issued by the Company, as well as all data and information sent, received or stored on those computers, remain the property of the Company. Employees should not have any expectation of privacy with respect to information transmitted over, received by, or stored on a Company computer. The Company maintains the rights to monitor, modify and delete all data that is stored on its computers. A violation of any aspect of this policy may result in disciplinary action, up to and including termination.

Employees should not expect that information on any company computer will be confidential or that they will have any proprietary, privacy or protected confidentiality right with respect to such information. In order to monitor compliance with this policy and protect its business interests, including the need to prevent any improper use of computers, the company reserves the right to gain access to any information stored in, accessed, used or retrieved by any of its computers.

3.8 Blogs and Social Media

This policy provides standards for the use of blogs (personal web pages and online journals), social media (interactive online social communication services such as Facebook and Twitter), and other online publishing or public communication services, including

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posting text, pictures, videos or other material online. Employees should recognize that online publishing or communication, even outside of work, can affect the Company, other employees, and our students.

Blogs and postings on most social media should be considered communications to the public. The same is true of publications or communications on other online websites and services available to the public or to a large number of people. Even if used, restrictions on access may not be effective. In addition, blogs and postings by an employee may be reviewed, copied, and disseminated by others, including competitors. Even though blogs are frequently used to express personal views, they can directly or indirectly impact the Company, as well as our employees, students, or applicants. Individuals who view a blog may not recognize or fully appreciate that the ideas, views, opinions or positions belong to the author rather than the Company.

We expect employees to demonstrate respect for others and exercise good judgment when participating in a blog or other form of online posting that relates to the Company, or to its employees, students, or applicants. Employees not expressly authorized and required to access and use blogs, social media, or other public online communication services should generally refrain from making any statements regarding the Company or its employees, students, or applicants. As explained elsewhere in this handbook, employees may not access, review, or post information on any blog or social media while on duty or using a Company computer or other Company electronic device unless expressly authorized and required to do so in the course and scope of employment. Whether on or off duty, any employee who chooses to use a blog, social media platform, or other public online communication service to convey any information about the Company, about other employees, or about students or applicants needs to follow these guidelines:

- Except as expressly authorized by the Company, employees may not disclose the Company's proprietary, confidential, or trade secret information, including, without limitation, disclosing or otherwise revealing information regarding the Company's students, development plans, policies, inventions, strategies, finances, personnel, practices, products or services that have not already been made public by the Company.
- Except as expressly authorized by the Company, employees may not disclose any confidential, proprietary, trade secret, or non-public information of any third party obtained in the course of employment with the Company or any of its competitors.
- Except as expressly authorized by the Company, employees may not disclose any personally identifying information received in the course of employment with the Company, including, without limitation, names, identification numbers, email addresses, street addresses, financial information, educational records, personally identifiable student information, or any private facts about any person other than the employee himself or herself.
- Except as expressly authorized by the Company, employees may not disclose any student records.

- Except as expressly authorized by the Company, employees may not use Company trademarks or logos, and may not use any copyrighted materials of the Company.
- Except as expressly authorized by the Company, employees may not include any trademarks, logos, or copyrighted materials of any third party.
- Employees may not engage in communications that are associated with or linked to the Company, even indirectly, which harass, disparage or exhibit disrespect for other individuals.
- Employees may not engage in communications that defame or violate the privacy or publicity rights of the Company or any third party.
- Except as expressly authorized by the Company, in writing and in advance, Employees may not engage in any communication that represents or makes it appear they are representing or communicating on behalf of the Company.
- Employees who engage in communications conveying any information about the Company, about other employees, or about students or applicants, should include a disclaimer that clearly and conspicuously states that the views expressed reflect only their personal views and not the views of the Company. A disclaimer such as the following is appropriate: (a) "I am a [Bridgepoint/Ashford/University of the Rockies] employee, but I'm speaking entirely on my own behalf." (b) "While I work there, I am not speaking on behalf of [Bridgepoint/Ashford/University of the Rockies]."
- Employees must abide by the terms of the Company's Insider Trading Policy and related Federal and State securities laws, including rules concerning the "tipping" of material, non-public information about the Company.

In addition, employees need to be aware that federal and state laws restrict the circumstances in which employees of the Company can endorse or promote the Company, criticize its competitors, or compare the Company to its competitors. Therefore, except as expressly authorized in advance and in writing, employees should avoid making statements that promote the Company, criticize a competitor, or compare the Company and a competitor. Any employee who expresses any opinions, beliefs, findings or experiences regarding the Company or its services, or about any competitor or its services, that consumers (i.e., students) are likely to see and that they will not immediately recognize as an advertisement or promotion by the Company, needs to follow additional guidelines:

- Clearly state that you are employed by Company.
- Make only statements that reflect your honest beliefs, opinions, or experiences.
- Do not make deceptive or misleading claims about the Company or its services, or about the Company's competitors or their services.
- Do not make any claims about the Company or its services, or the Company's competitors or their services, that are not substantiated (i.e., for which you do not have adequate proof to back up the claim).

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- Do not make any factually inaccurate statements, particularly statements that may be disparaging or defamatory, regarding the Company, the Company's competitors, or the Company's students, faculty, staff, employees, officers, suppliers or partners.
- Do not make offensive comments that have the purpose or effect of creating an intimidating or hostile environment. Do not use ethnic slurs, personal insults, profanity, or other offensive language.
- Do not promote any unsafe activities that could lead to an unsafe situation involving the Company's students, faculty, staff, administrators, or any other person.
- Adhere to the Terms of Use, Acceptable Use Policy, or other guidelines for posting on any website or social media platform on which you post content about the Company or its services, or about the Company's competitors or their services.

A violation of any aspect of this policy or any Company policy may result in disciplinary action, up to and including termination. Other action may also be taken, particularly where the legal rights of the Company or others are violated.

3.9 Creative Works and Discoveries (Applicable Only To Faculty)

It is the policy of the Company to encourage, promote, and support the faculty in the development of creative works and to not interfere with the long-standing and traditional rights of the faculty to write, create, produce or otherwise generate works or products which are copyrightable, patentable, or of commercial value on their own initiative. Any such materials written, created, produced or otherwise generated by a member of the faculty shall remain the exclusive property of the faculty and that person shall have the sole right of ownership and disposition, unless the materials are written, created, produced or otherwise generated "for hire" (in the official capacity as an employee of the Company) as defined in the United States Copyright Act and herein.

In order to facilitate common understanding and avoid conflict situations, faculty is advised to consult with the Provost or Campus Director about intended or pending creative-work projects. It is expected that such prior consultation will result in written documentation defining all elements and conditions of the proposed project with respect to this policy. The parties to this document (the individual faculty member and the Provost or Vice President of Academic Affairs) will create a legally binding agreement.

Any materials required to be produced by a faculty member, as part of his/her job responsibilities are "works for hire." This shall include any materials produced for the delivery of a course or educational activity, except a faculty member's personal notes, files and research materials, unless specifically exempted in writing by an authorized Company official, and specifically includes, without implication of limitation, all syllabi modules and course requirements. Any copyrightable, patentable or otherwise commercially valuable materials written, created,

produced or otherwise generated "for hire" shall be under the control of the Company as provided herein. Materials written, created, produced or otherwise generated "for hire" are defined as, but not limited to, discoveries, expressions, improvements, designs, methods, systems, developments, suggestions, devices, processes, inventions, creations, manuscripts, or other works or things of commercial value which are written, created, produced or otherwise generated by faculty members who are either engaged by the Company specifically to write, create, produce or otherwise generate such materials or to conduct the research or other activity which produced materials included in the work or product, are released from other responsibilities in order to write, create, produce or otherwise generate the materials, or engage a substantial use of Company resources in the writing, creation, production or generation of the materials, excluding scholarly books, manuscripts, articles and course materials unless commissioned by the Company or produced as part of an express assignment or direction of the Company. "For hire" copyrightable materials include, but are not limited to, books, pamphlets, brochures or other printed materials; films, video or audio tapes; computer programs or computer-based instructional materials; musical compositions; and any and all other copyrightable materials covered by the copyright laws of the United States or any foreign government, as amended. Patentable works "for hire" include, but are not limited to, inventions, creations and any and all things patentable under the patent laws of the United States or any foreign government, as amended. Materials of commercial value are any materials which the Company, in its sole discretion, determines to have commercial value.

Materials written, created, produced or otherwise generated pursuant to or under the sponsorship of an outside agency or governmental grant shall be subject to the copyright, patent and exploitation terms and conditions of said grant, contract or agreement. If no such terms and conditions are stated, then the materials produced by the faculty member shall be subject to the terms of this policy.

Faculty who write, create, produce or otherwise generate copyrightable, patentable or other commercially valuable materials using Company resources shall be governed by the following principles in terms of what constitutes substantial use of Company resources:

1. The following resources may be used by faculty for their creative and/or intellectual pursuits at institutionally authorized levels without accounting for "substantial use" under this policy:

- Personal office space
- Local telephone calls
- Typewriters (but not secretarial service)
- Personal or privately owned computers
- Library facilities
- Other faculty or staff members as consultants

2. Company resources, such as the following, when used by the faculty for the writing, creation, production or generation of a copyrightable, patentable, or commercially valuable materials, shall constitute substantial use of Company resources and the faculty is encouraged to keep accurate and detailed records reflecting his or her use of the resources.

- Company clerical services

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- Plant and animal specimens
- Company supplies including but not limited to paper, copying costs, etc.
- Laboratory equipment and supplies, chemical supplies
- Telecommunication transmission by means of long distance telephone services
- Audio/visual equipment
- TV studio (Personnel and supplies)
- Paid mail or package delivery, postage, etc.
- Company owned, leased or operated computer equipment and peripherals
- Computer software, 16mm films, video/audio tapes
- Blank media storage materials, blank film, blank video/audio tapes
- Special program equipment such as music synthesizers, audiology synthesizers, etc.
- Any other Company resource not included in #2 above or any resource used at greater than institutionally authorized levels.

Any faculty member who writes, creates, produces or otherwise generates any copyrightable, patentable or potentially commercially valuable materials while in the employ of the Company shall submit a written statement to the Provost or Campus Director describing the circumstances under which the materials will be or were generated and the circumstances under which the Company resources have been or will be utilized, the extent of the utilization, and the necessity for the utilization of Company resources, and an accurate accounting of the costs of the resources used in the writing, creation, production or generation of the copyrightable, patentable, or commercially valuable materials.

The Provost or Campus Director shall, within thirty (30) calendar days following the submission of the written description, make a decision and notify in writing the faculty member whether the materials will be or were written, created, produced or otherwise generated “for hire.” If the Provost or Campus Director finds that the materials will be or were not written, created, produced or otherwise generated “for hire”, the Company shall have no rights as to the materials. In such a case, the Company shall relinquish all of its rights to the materials by a written waiver of rights signed by the Provost or Campus Director or their designated agent. If, however, it is determined that the materials will be or were written, created, produced or otherwise generated as works “for hire,” the materials shall then become the property of the Company according to the terms and conditions of this policy. The faculty member shall assign all of his/her rights to the Company by a written assignment, and in the case of a refusal to sign, does, as a condition of employment, appoint the Provost or the Campus Director of the Company, as his/her attorney in fact, to execute an assignment on the behalf of the faculty member in accordance with the terms of this policy. The faculty member, upon such assignment of rights, shall be entitled to receive 40% of the net profits (amounts received by the Company less all Company costs attributable to the writing, creation, production, generation and/or exploitation of the materials) derived from any commercial exploitation or dissemination of the materials. If it is determined that the work will be or was generated through the

substantial use of Company resources but that there are mitigating circumstance which the Provost or the Campus Director believes should cause a reduction in the Company’s share of revenues, the Provost or the Campus Director shall make such a final decision within a reasonable time.

A faculty member may voluntarily offer or dedicate materials to the Company for the securing of a copyright or patent and/or the subsequent exploitation of the materials under Company aegis. If such an offer or dedication is accepted by the Company through the Provost or the Campus Director office, the faculty member shall assign all of his/her rights to the materials to the Company and shall thereafter be entitled to receive a negotiated percent of the net profits, as defined hereinabove, if any, derived from the commercial exploitation or dissemination of the materials.

Length of Agreement

The creator(s) of any work assigned to Bridgepoint Education hereunder shall receive appropriate attribution in any commercial exploration of the work. The Company has determined that for its purposes only, when the Company has obtained rights of whatsoever kind or nature in the copyrightable, patentable, or commercially valuable materials which have been written, created, produced or otherwise generated by faculty members, that the terms and conditions of this policy shall be binding upon all parties in regard to the copyrightable, patentable or commercially valuable materials until all of the following conditions have been met:

- For a minimum of seven (7) calendar years from the date of assignment;
- Until such time as the Company has recovered all the expenses and costs attributable to the writing, creation, production, generation and/or exploitation of the materials;
- For so long as the faculty member is employed by the Company plus an additional seven (7) calendar years from the calendar date of cessation of employment for whatever reason.
- For the life of the copyright or patent.

Special Provisions and Limitations

Faculty members often create materials in which they hold commercial interests and which might be used in courses or programs which the faculty member is teaching or administering for the Company. It is the policy of the Company that faculty may require students to purchase materials in which the faculty member holds a commercial interest for courses taught or programs administered by that faculty member. In this situation, however, the faculty member shall assign to the Company all income rights for all of the materials sold to the Company, its students and employees. Any income thus received shall be placed in a special fund for research or creative grants which shall then be made available by application only to all faculty members in order to promote research, publication, or other creative efforts.

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3.10 External Affairs and Political Involvement

The Company meets the highest ethical standards and complies with all government laws and rules when participating in the political arena. Our conduct is essential in protecting our reputation, complying with laws, and our ability to continue working with public officials. In all instances, it is imperative for employees to seek proper guidance and approvals prior to engaging in government or political activities.

The Company encourages all employees to participate in the political process as private citizens. However, employees cannot identify themselves as representatives of the Company when communicating personal views.

Government Contact/Lobbying

Lobbying activities are strictly regulated. Every jurisdiction from city to federal governments have different rules governing interaction with public officials and disobeying these laws can lead to damage of reputation, fines, or jail.

Therefore, the Company's External Affairs staff is responsible for the presentation of testimony and information, any form of advocacy on industry or policy issues, and interaction with public officials. Prior to engaging in lobbying activities, employees must obtain approval from the EVP of External Affairs. "Public official(s)" shall be defined as any elected or appointed officials at the federal, state or local level, and their staff, member of a foreign government, candidate for office, and political committee.

Lobbying activities that require prior approval include:

1. Contacting any public official, on behalf of the Company regarding any matter. This also applies to contacts made in conjunction with, or at the request of, the state and federal trade associations and professional organizations to which the Company and its subsidiaries belong.
2. Inviting or scheduling meetings with public officials to visit corporate facilities or the universities.
3. Inviting public officials to events in which you identify yourself as an employee of the Company thereby creating the appearance of being a representative of the company (official or unofficial, on site or off site)
4. Retaining an outside lobbyist on behalf of the Company.
5. Giving the impression that you are speaking or acting on the Company's behalf with public officials.

Gifts to Public Officials

Providing gifts to public officials must always be in strict compliance with the law. Certain gifts may be prohibited by law or require reporting obligations depending upon the state or jurisdiction. Gifts may include insignificant value items such as a pen, t-shirt, meal, tickets, or providing meeting space. These laws vary greatly among jurisdiction, therefore approval by the EVP of External Affairs must always be obtained prior to providing gifts.

Grassroots & Engaging in Political Activities

Employees should not create the impression that you are speaking or acting on the Company's behalf to public officials or to civic leaders. This includes using the company name in membership to

public policy or political organizations like a chamber of commerce, without the prior approval of the EVP of External Affairs.

The Company may ask employees or students to contact legislators regarding an issue of critical importance to our business. Your participation in the process is voluntary and not required.

Employees may utilize the grassroots website when requested by the Company to take action. However, the website may not be used for personal matters. External Affairs staff may invite employees to participate in political or public policy activities, including attending Dignitary Meet and Greets, fundraisers, other events or rallies.

Political Contributions

Employees may not endorse a candidate or issue on behalf of the company. Employees cannot use corporate dollars to support a candidate or issue. This support is done through the government affairs department to ensure ethics and Federal Elections Commission compliance.

The Company will not reimburse employees for political contributions (such as giving to the BridgePAC). Political contributions include, but are not limited to: a contribution to a candidate; political committee; independent expenditure; and contributions to oppose or support ballot initiatives.

Employees may not use Company equipment, supplies, time, facilities, telephones or other resources to engage in political activity without receiving prior approval from the EVP of External Affairs, as these activities may be an illegal contribution.

Running for and Holding Public Office

The Company commends employees who choose to seek a public office. An employee must notify his/her immediate supervisor to evaluate and ensure that serving will not disrupt normal work efforts. The employee should also notify the legal department, to review ethics laws related to such action. Approval must be done before committing to seeking an elective public office or accepting an appointive public office, Board, or Commission. This is not intended to discourage employees from seeking office; it is to ensure ethics compliance. An employee who becomes a candidate is encouraged to seek financial support from BridgePAC.

Employees may not engage in personal campaigning during paid working hours. The employee-candidate may mention their employer and relationship, however all political positions should be a personal statement and not positions on behalf of the Company.

3.11 Copyright Law Compliance

All employees of Bridgepoint Education and its subsidiaries, including but not limited to staff, faculty and administrators, shall conduct their activities on behalf of the Company, including but not limited to any research or writing activities, in such a fashion

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so as to meet and comply with all the requirements of the United States copyright laws and regulations, including those related to use of materials in online course instruction (Title 17 U.S.C.). The faculty member is referred to the Library for written documents pertaining to U.S. Copyright Laws and Regulations.

As a condition of employment, each employee agrees to accept responsibility for reading and understanding the requirements of the copyright law and the policy statement and guidelines of the Company and for complying with those requirements and guidelines. In the event that a copyright infringement occurs as a result of the acts of an employee, if the employee is able to demonstrate compliance with the policy and guidelines of the Company, as determined by the Company, such acts shall be considered “good faith compliance” by the Company and the employee shall not be required to indemnify the Company for any damages, judgments, or costs which may be obtained against the Company for the acts of the employee.

If, however, an employee willfully, intentionally, negligently, or without good faith, violates the copyright provisions, the employee shall be solely liable for all losses, damages, judgments, and costs of whatsoever kind or nature that may be incurred. Should the Company be named in any legal or equitable action arising from such wrongful infringement, the employee agrees to save, hold harmless, and indemnify the Company against all losses, damages, fees (including attorneys fees), or other penalties, monetary or otherwise, that may be incurred as a result of such conduct.

3.12 Contract Review and Signing Authority Policy

Contract Review Policy

This policy and procedure establishes a process for the review and authorization of contracts entered into on behalf of Bridgepoint Education, Inc. (the “Company”). This policy and procedure will also apply to any contracts entered into on behalf of the Company’s subsidiaries, including Ashford University, LLC, and University of the Rockies, LLC.

Purpose

To ensure all contracts undergo authorized review and approval prior to signing.

To ensure best practices in the administration of the Company’s assets through a consistent company-wide framework of contract signing authority.

To ensure sound stewardship of all resources and assets and that risk management processes are in place to support effective and informed decision-making, as well as to provide for consistent accountability and reporting throughout the Company. Every individual signing a contract on behalf of the Company or any of its subsidiaries must understand that, in doing so, the individual is binding the Company, and not just an individual or department.

To support the Company’s system of internal control over financial reporting.

Statement of Policy

No person is authorized to sign any document that creates an obligation or undertaking on behalf of the Company or any of its subsidiaries unless:

- that contract has been reviewed and approved in accordance with this policy; and
- that individual has signing authority in accordance with this policy.

Contract Legal Review Process

This contract review process assumes that authorized management has approved the project covered by the contract. It is the responsibility of the originating department to obtain the necessary approvals to move forward with the project, including without limitation confirming that the project is within approved budget limits, before any binding commitments are made. The review described here is intended to occur after the approval of the project has been obtained **and before any work on the project has commenced**, and to focus on the contents of the contract itself.

Contracts Requiring Legal Review

All proposed Company contracts meeting or exceeding certain thresholds will require review by the Legal Department prior to execution by an authorized signatory.

If a proposed contract meets any of the following criteria, legal review is required prior to signing or commencement of a project:

- a. the contract makes a commitment on behalf of the Company or any of its subsidiaries for an initial term of more than one year;
- b. the contract is for products or services³ having a total dollar value of more than \$10,000⁴;
- c. the contract involves lead generation or potential compensation issues relating to enrollment/admissions;
- d. the agreement is student-facing⁵;

³ Any contract for the purchase of goods or services by the Company must be reviewed and approved by the Director of Purchasing, the Assistant Controller or the Corporate Controller prior to (or concurrent with) legal review. Purchasing review is not required for agreements for construction management services, legal services or audit services, or for agreements for which there is no associated dollar value (such as confidentiality agreements).

⁴ Any contract which represents actual or potential cash flows to/(from) the Company of \$250,000 or more over the life of the original contract term must be reviewed by the Corporate Controller or Assistant Controller in addition to Legal Department review prior to signing.

⁵ All student-facing contracts (signed by a student and/or parent or guardian) must be approved through the Communications Review process in addition to Legal Department review. Student career experience program documents do not require Legal Department review.

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- e. the agreement is proposed for use as a template or form legal document;
- g. the contract is a Memorandum of Understanding, Articulation Agreement, Alliance Agreement or Partnership Agreement;
- h. the contract is an Affiliation Agreement for Student Internships;
- i. a director, officer or significant (>5%) shareholder of the Company is party to the contract;
- j. the contract is a lease of real property or equipment;
- k. the contract is a management contract or any compensatory plan, contract or arrangement (including separation or severance agreements);
- l. the counterparty is a governmental authority;
- m. the contract is a confidentiality or nondisclosure agreement on a form not previously approved by the Legal Department;
- n. the contract is an amendment, addendum (including SOWs, Work Orders, Change Orders or other addenda subject to a master agreement), termination or renewal of an existing contract requiring review by the Legal Department or meets any of the listed criteria on its own;
- o. the contract is a release or settlement agreement;
- p. the contract involves transportation of current or prospective students or Company employees;
- q. the contract involves campus and/or accreditation issues⁶;
- r. the contract involves the transfer of student data;
- s. the contract is a license of Waypoint Outcomes software;
- t. the contract is a letter of intent or memorandum of understanding (whether binding or non-binding) meeting any of the above criteria for legal review; or
- u. the Legal Department has determined in its discretion that legal review is necessary or appropriate.

Any agreement between the Company and a third party which meets any of the above criteria for legal review must be documented in the form of a written contract. It is a violation of this policy to obligate the Company to any such agreement by verbal, telephonic or email communication.

Any termination of an agreement subject to this policy must be reviewed by legal prior to notifying to the other party to the agreement.

Any employee who is unclear whether a proposed contract requires legal review or whether a written contract is required for a particular obligation of the Company is encouraged to contact Lori Peters (x4573) or Vy Haq (x4656).

Scope of Legal Review

The Legal Department reviews contracts for legal form, including, but not limited to, contract mechanics, clarity of payment terms, appropriate designation of parties, legal consideration (i.e., mutual obligations), governing law, jurisdiction and venue, length of contract/term, termination ability, arbitration and dispute

resolution, indemnification, breach, compensation for lead generation, insurance, confidentiality, FERPA, Force Majeure and liability limits. ***The employee or department submitting the contract for legal review is responsible for reading the contract and for understanding and approving the business terms of the agreement, and is responsible for following all other applicable Company policies in the execution and administration of the contract.***

Submission of Contracts for Legal Review

It is always preferred that a template authorized by the Legal Department be used for the contract. If there is an applicable Company template available, employees are encouraged to persuade the contract counterparty that it must be used by explaining that it is Company policy to strongly prefer use of an in-house template and that use of a different template will delay signing of the contract. Our templates are specifically designed to protect the Company. In addition, the use of an in-house template will facilitate the review process. Contract templates are available from the Legal Department. Employees and departments are encouraged to contact the Legal Department to discuss creation of new templates for commonly encountered situations.

Documents for review by the Legal Department should be emailed directly to Lori Peters or Vy Haq.

Before beginning any legal review process for an agreement, the Legal Department will require that the counterparty has signed a Vendor Confidentiality Agreement on either the Company template or in another form approved by the Legal Department. The submitting employee will be responsible for providing the Company template to the applicable vendor and collecting a signature. Any alterations to the Company template (beyond vendor name, address, date and description of products or services) must be approved by the Legal Department prior to use.

Authority to Sign Contracts

This policy shall apply to all types of contracts, establishing who has the authority to sign a contract.

If an employee signs a contract that the employee is not authorized to sign or authorizes work on a project for which a contract has not yet been signed as required by this policy, or if an employee terminates an agreement without appropriate legal review, the employee may be subject to disciplinary action (up to and including termination), as the employee will have acted outside the scope of his or her authority as an employee.

The following employees have the authority to sign contracts at the following levels:

- Contracts for an amount of \$10,000 or less and for a term of 12 months or less, and which do not contain enrollment or marketing subject matter, may be signed by a Manager or above from the initiating department.
- Contracts with a value of greater than \$10,000 but less than \$100,000, or contracts with lead generation, compensation relating to enrollment or enrollment subject matter, or contracts having a term of greater than 12 months, must be signed by a Director from the initiating department.

⁶ All contracts containing campus and/or accreditation issues must be approved by the applicable Provost in addition to Legal Department review.

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- Contracts having a dollar value of greater than \$100,000 and up to \$1,000,000 must be signed (or the cover sheet signed) by a Senior Vice President and a departmental Vice President.
- Contracts with a value of greater than \$1,000,000 and up to \$10,000,000 must be signed (or the cover sheet signed) by the CFO and a Senior Vice President from the initiating department.
- Contracts having a dollar value of greater than \$10,000,000 require approval by the Board of Directors of the Company prior to signing.

Memoranda of Understanding, Partnership Agreements, Alliance Agreements, Affiliation Agreements or Articulation Agreements, and any amendments thereto should be signed by the applicable Campus President following legal review.

Vendor Confidentiality Agreements on an approved Company form with no alterations may be signed by an employee of Manager level or above.

Following the completion of legal review, the reviewing attorney will send an e-mail indicating legal approval and/or will sign a cover sheet which describes the contract, identifies which member of the Legal Department reviewed the contract and indicates that it is ready for signature from a legal perspective. The initiator of the contract is responsible for preparing a cover sheet for signature by a member of the Legal Department. Other required approvals indicated on the cover sheet must be obtained by the initiating department. Whenever possible, the contract counterparty should be required to sign prior to collecting a signature of the Company. A contract will not be considered executed until the Company receives a signature page from the other party to the contract.

The Legal Department shall verify that all required policy approvals have been obtained. Once all necessary policy approvals have been obtained, the contract may be signed. **No authorized signer will sign an agreement binding the Company or any subsidiary until the agreement has received all required policy approvals.**

Finalized Document Repository

After legal review, the contract will be finalized for signature by the Company and the counterparty. The department submitting the contract for legal review is responsible for collecting signatures of both the Company and the counterparty not later than the end of the month in which the contract was approved by the Legal Department. The submitting department should maintain an independent working copy of all submitted and executed contracts.

In some cases, original hardcopy signatures will be required by the contract terms and will be requested by the Legal Department. The submitting employee or department is responsible for providing an electronic copy (and a hard copy with original signatures, if requested) of the fully-executed document to the Legal Department.

The Legal Department will update the document index and file the electronic copy of the executed contract in a centralized document repository. On a monthly basis, the Legal Department will submit a report to the Corporate Finance Department listing all contracts that have been signed during that period. The Corporate Finance Department will be notified immediately upon signing of any material contract.

3.13 Use of Technology Resources

Company technology resources are to be used to advance Bridgepoint Education's mission of education, scholarship and service. Employees may use these resources for purposes related to their studies or research, their teaching, the execution of their duties as Company employees, their official business with or for the Company, or other Company-sanctioned activities. The Company encourages the use of technology resources for these primary activities. The use of Company-provisioned technology resources for personal use is prohibited, except as specifically authorized by the Senior Vice President/Chief Information Officer. The use of Company technology resources shall be conducted in accordance with all BTS Policies and Standards. Please refer to BTSPOL06 - Acceptable Computer Use (ACU) Policy for additional information.

The Company uses various forms of electronic communication including, but not limited to, telephones, pagers, computers, e-mail, texting, instant messaging, Intranet, Internet, etc. All electronic communications, including, but not limited to, all software, databases, hardware, and digital files, remain the sole property of the Company and are to be used only for Company business and should not be for personal use.

All electronic information created by any employee using any means of electronic communication is the property of the Company and remains the property of the Company. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Company's ownership of the electronic information. The Company may override any and all personal passwords if necessary for any reason. This policy will not apply in a manner that violates state law.

Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Company policy, or not in the best interest of the Company.

Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to discipline up to and including immediate termination. Under no circumstance may employees install or use anonymous e-mail transmission programs or encryption systems.

Due to potential incompatibilities and/or security vulnerabilities that may be introduced to the Company's network, employees may not install personal software or attach personally owned devices, such as, but not limited to personal cell phones, MP3 players, iPods, iPads, external hard drives, USB memory sticks,

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portable storage devices, etc on Company-provisioned computer systems, except as specifically authorized by the Senior Vice President/Chief Information Officer. All computer software and hardware technology used by the Company must be tested for compatibility, properly secured, approved and provisioned in accordance with BTS Policies and Standards. Approved and non-approved software is defined within BTSSTD07 - Common Operating Environment (COE) Standard.

Any website or software application, used to conduct Company business, whether hosted internally by BTS or externally by any other party, must be authorized by the Senior Vice President/Chief Information Officer prior to use and in accordance with BTS Policies and Standards. Requirements for using third party technologies are outlined in BTSSTD10 - Third Party Technology Supplier Standard.

Bridgepoint Education reserves the right to access and review electronic files, messages, mail, text messages and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violations of Company policy or any law occurs. Employees should not expect that information on any company computer or telephone will be confidential or that they will have any proprietary, privacy or protected confidentiality right with respect to such information.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Company management and authorized by Human Resources. Employees must not share their user credentials or passwords and shall protect them at all times as outlined in BTSSTD01 - Identity and Access Management Standard.

Employees who use electronic devices on which information may be stored, including but not limited to cell phones, smart phones, iPhones, iPads, MP3 players, USB, computers, portable storage devices, fax machines, copy machines, Biz Hubs and voice mail systems are required to use these methods in strict compliance with all BTS Policies and Standards established by the Company. These devices should not be used for transmitting confidential, sensitive, personally identifiable information, trade secrets or any other information classified as protection-required information without appropriate security protections in place and in accordance with BTS Policies and Standards. Information requiring protection is outlined in BTSSTD03 – Information Protection Standard.

Access to the Internet, websites, and other types of Company paid computer access are to be used for Company related business only. Employees who excessively use the internet, e-mail or other communications systems for non-business related purposes will be subject to discipline up to and including immediate termination.

Any information about the Company, its products or services, or other types of information that will appear in the electronic media about the Company must be approved by Public Relations before the information is placed on an electronic information resource that is accessible to others.

3.14 Information Technology Policies and Standards

A framework for information technology (IT) policies and standards has been established as a reference for all users of Company technology resources. Employees must review and become familiar with the following policies and standards located on the Business Technology Services Insite home page:

Information Technology Policies:

BTSPOL01 - Enterprise Information Systems Security Policy
BTSPOL02 - End-User Computing Policy
BTSPOL03 – Enterprise Third-Party Management
BTSPOL04 - Enterprise Change Management Policy
BTSPOL05 - Enterprise IT Operations Policy
BTSPOL06 - Acceptable Computer Use
BTSPOL08 - Payment Card Industry (PCI) Compliance Policy
BTSPOL09 - Enterprise Business Continuity Policy

Information Technology Standards:

BTSSTD01 - Identity and Access management Standard
BTSSTD02 - Information Systems Security Standard
BTSSTD03 - Information Protection Standard
BTSSTD04 - Physical Security and Environmental Controls Standard
BTSSTD05 - Change and Configuration Management Standard
BTSSTD06 - Security Monitoring and Logging Standard
BTSSTD07 - Common Operating Environment Standard
BTSSTD08 – Electronic Media and Information Disposal Standard
BTSSTD09 - Business Continuity Standard
BTSSTD10 - Third Party Technology Supplier Standard

Questions and comments regarding Information Technology Policies and Standards can be sent to

risk@bridgepointeducation.com.

3.15 Reporting Information Security Incidents

Bridgepoint Education is committed to ensuring the safety and security of all users of the Company's technology resources; however, it is the responsibility of every user of the Company's technology resources to participate in the security and protection of these resources. Any actual or suspected information security incident should be reported immediately to the Business Technology Services (BTS) Service Desk in accordance with the Company's Security Incident Response Plan by submitting a service request through the Service Point system, calling extension 1918 if at work, or by calling 1-866-475-0317 x1918 if outside of work. Security incidents may also be emailed to Infosec@bridgepointeducation.com. The Company's Security Incident Response plan is located on Insite under the BTS Policies and Standards section of the BTS home page.

Information security incidents may include, but are not limited to the following actual or suspected events:

- Breach or defacement of company websites or information systems

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- Denial of Service (DoS) attacks
- Compromise or loss of Protection-Required Information (non-public information, personally identifiable information, FERPA directory information, credit card information, company confidential or intellectual property) See the Information Protection Standard for additional details on Protection-Required Information
- Virus or malware infection
- Lost or stolen computer equipment
- Unauthorized access to information systems and/or facilities
- Unusual or unexpected computer behavior such as locked account passwords, unexplained changes to data, missing data, excessive CPU or memory utilization.

A Security Incident Response Plan (SIRP) has been created as a reference guide for investigating, containing, resolving and communicating actual or suspected security events. If an actual security event is identified, it is important that only authorized individuals communicate the details of the event as outlined in the Communications Policy in section 3.6 of this Handbook and as outlined within the SIRP.

Questions and comments regarding information security can be sent to infosec@bridgepointeducation.com.

3.16 Personnel Records

Bridgepoint Education maintains official personnel records for each employee in the Human Resources Office. Information and documents in an employee's personnel record may include, but are not limited to, the following: employment application, personal resume, performance appraisals, disciplinary documents, memos concerning the employee (that have been received by the employee), leave of absence forms and other similar forms and information. The records are maintained as a business record of the Company, is administered by the Company and is subject to its disposition and control.

The personnel records are available to the individual employee, current or former, or employee's representative, the Administration and its agents, and others as necessary to allow the Company to comply with law and standard business practices. An employee may inspect his/her own personnel record on written request and in the presence of a designated Company official. . An employee may also request a copy of his/her personnel record. The Company may recoup the actual costs of reproduction of the personnel records. Whether inspecting the record or receiving a copy, the Company will fulfill the request for the personnel record within 30 days of receipt of employee's written request. Letters of reference or recommendation, records and documentation pertaining to a pending civil or criminal matter that have been submitted as confidential will be excluded from review. Names of any nonsupervisory employee contained in the records may be redacted.

It is the responsibility of each employee to notify Human Resources of any address/phone number changes, changes in family status, or any other changes related to personnel records or

benefit status. Employees can make many of these changes using the ADP Self Service System.

3.17 Student Records

Bridgepoint Education and its affiliated institutions adhere to all applicable federal, state, and local regulations including but not limited to the Family Educational Rights and Privacy Act of 1974 (FERPA). All employees are required to strictly comply with the Company's FERPA policy in their administration and use of student records. All employees are aware that FERPA requires that students be provided access to their educational records upon request, and FERPA prohibits the Company from releasing such information to third parties outside of the Company unless certain conditions exist. Conditions which allow the release of student information to third parties include, but are not limited to, obtaining the student's written consent to such a release of information, or the receipt of a lawful subpoena pursuant to 34CFR Sec. 99.31 (a) (9)(ii). Student educational record information is not to be shared, including classroom assignment grades, with other faculty or staff members unless their official responsibilities include a "legitimate educational interest" in that information for that student. Whenever a question arises concerning student confidentiality and FERPA regulations, employees are encouraged to seek the advice of their immediate supervisor. The supervisor should refer such questions to the Registrar of the affiliated institution.

Employees will not access or update their own student records or records of any family members, friends, or significant others. "Family Members" is defined here as any person related to the employee including immediate family, in-laws, step/adoptive children, cousins, etc. Should a question of relationship arise the employee should seek the advice of his/her immediate supervisor.

3.18 Library Privileges

Subject to established library regulation, the library of the Company is available for use by employees.

3.19 Cash Handling

Money for deposit to the accounts of the Company is to be taken daily to the Business Office. Money that belongs to the Institution shall not be kept in an employee's desk.

3.20 Use of Company Equipment

Desks, computers, vehicles, and all other Company materials are Company property and must be maintained according to Company rules and regulations. All Company property must be kept clean and can only be used for work-related purposes. The Company reserves the right to inspect all Company property to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's presence.

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Company voice mail and/or electronic mail (e-mail) are to be used for business purposes only. The Company reserves the right to monitor voice mail and e-mail messages to ensure compliance with this rule, without notice to the employee and at any time, not necessarily in the employee's presence.

No Company equipment, including, but not limited to, computers, printers, recorders, projectors, desks, computers, etc., may be removed from the office or work area where it is inventoried without prior permission from the employee's supervisor or that supervisor's designee.

For security reasons, employees should not leave any personal belongings of value unattended in the workplace.

Terminated employees should not retain, remove or destroy any Company property. Employees who resign or are terminated from employment, must immediately return all company owned property and equipment. The Company will do its best to ship all personal belongings to employees who have separated from the company. Please refer to section 2.15 regarding the Company's position on loss or damage to personal property.

3.2I Inspection of Storage Areas

The Company provides offices, desks, cabinets, and other storage areas for employees' use and convenience during work. These storage areas, however, remain the sole property of the Company. The Company reserves the right to open these storage areas as well as any contents, effects, or articles that are in desks. The Company also reserves the right to inspect any briefcases, bags, purses or belongings brought onto Company property. Any employee who wishes to avoid inspection of any personal articles or materials should not bring such items onto the Company's premises. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by any supervisor, manager or security personnel designated by the Company.

Prohibited materials, including weapons, explosives, alcohol, illegal drugs or illegal medications, may not be placed in a desk or other storage area. Perishable items also should not be stored in desks or left for prolonged periods. Employees, who, if requested, fail to cooperate in any inspection may be disciplined, up to and including termination.

The Company is not responsible for any articles that are placed or left in a desk that are lost, damaged, stolen or destroyed.

The Company is not responsible or liable for any personal property which is lost, stolen or damaged on Company property.

4.1 Code of Conduct

This Code is not a comprehensive guide of all ethical issues that employees may face, but merely highlights specific problems. In dealing with ethical problems not detailed in this Code, employees are expected to use common sense and their best moral judgment. If an employee has ethical questions, please contact the Vice President of Human Resources, Kendra Myers, the Vice President of Ethics and Compliance, Mark Johnson, or the Company's Senior Vice President, Secretary and General Counsel, Diane Thompson.

The following standards govern the conduct of all employees of Bridgepoint Education and its subsidiaries as a condition of their employment:

- Company employees are required to observe all laws, rules and regulations of governmental agencies and authorities including requirements under the Higher Education Act, as amended, regulations of the U.S. Department of Education, the policies of accrediting agencies, as well as other state and federal laws, including the Foreign Corrupt Practices Act. If federal, state or local laws exist that are either contradictory or stricter than this policy, employees must apply the law.
- Company employees have a duty of loyalty to the Company which includes avoiding situations that may create, involve or give the appearance of a conflict of interest. Company employees are expected to act in the best interest of the Company, disclose and resolve any potential conflicts of interest in advance, and use Company information and assets to benefit the Company, its customers, and its shareholders.
- Company employees shall disqualify themselves from participating in any action on behalf of the Company that directly affects a business in which they have a financial interest.
- Company employees shall not acquire financial interests in any business when there is reason to believe that such business may be directly affected by an action of the employee, or an employee over which the employee has influence or control, taken on behalf of the Company.
- Company employees shall not use confidential information acquired by virtue of Company employment for the employee's or another's private gain.
- Company employees shall not request or accept a gift or a loan for themselves or others, 1) if it tends to influence them in the discharge of their official duties on behalf of the Company, or 2) if they, within the previous two years, have been involved in any action taken on behalf of the Company directly affecting the donor or lender, or 3) if they know that they will be involved in any action on behalf of the Company directly affecting the donor or lender.
- Company employees shall not purchase or influence the purchase of services, equipment, instruments, materials, or other items for the Company or its programs from any firm in which the employee has an interest. Note that the purchase of a book (or the designation of an assigned textbook) written by a faculty member is not considered a conflict of interest.

Work Environment Policies

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- Company employees may not make unauthorized use of privileged information acquired in connection with the Company's activities.
- Company employees shall not permit, directly or indirectly, disclosure or access to an unauthorized party, or make other use for personal gain of Company products, research results, materials, records, educational courses, courseware, programs or educational materials, trademarks, service marks, copyrighted material, insignia, names, logos, lists of donors, alumni or students, or other confidential or proprietary information of the Company that are restricted or not made generally available.
- Company employees may not harass, intimidate, invade the privacy of, or interfere with another employee, student, vendor or volunteer in a manner that is offensive as determined by the Company.
- Company employees may not display insubordinate behavior to their Managers through any action such as, but not limited to, foul or adverse language, negligence or defiance. Any act of insubordination will result in disciplinary action up to and including termination.
- Company employees may not engage in unprofessional behavior towards their managers, co-workers, employees of the company, customers of the company, outside vendors or any others doing business with the company through any action such as foul or adverse language, horseplay, negligence or defiance. Unprofessional behavior or conduct will result in disciplinary action up to and including termination.
- Unauthorized possession or removal of Company, employee or client property, including cafeteria and Grab-n-Go items is prohibited. Any act of theft will result in disciplinary action up to and including termination.
- Company employees may not engage in deliberate or negligent destruction, defacing or damage to Company or employee property.
- Company employees may not falsify or make a material omission on official forms, records, or reports, including application and time cards.
- Company employees are required to promptly report to the Company unethical behavior of another employee, student, volunteer or vendor. If the employee learns that a violation of the Code of Conduct has occurred or is likely to occur, the employee shall report it to Senior Management, the Ethics Officer, or Human Resources. An employee who reports a violation or suspected violation in good faith will not be subject to any retaliation of any kind.
- If an employee is asked to do something that he/she believes is not in compliance with company policies or local, state and federal laws, the employee should contact Human Resources or Mark Johnson, Vice President of Ethics & Compliance.

The Company takes a zero-tolerance approach to violations of this Code, failure to report actual or suspected violations of the Code, or retaliation against whistleblowers. Violations of this Code or any retaliation against whistleblowers will result in disciplinary action up to and including termination.

4.2 Foreign Corrupt Practices Act (FCPA)/Anti-Corruption: Employee Code of Conduct

Foreign Corrupt Practices Act

The Company, including all agents, consultants, representatives and joint venture-partners acting on behalf of The Company, must fully comply with the U.S. Foreign Corrupt Practices Act of 1991 ("FCPA"), regardless of personal location or place of business. The FCPA makes it a crime to bribe, give, or to offer to give, anything of value to "U.S. Government Officials," and, or "Non-U.S. Government Officials."

For purposes of this section of the Code of Conduct, "U.S. Government Officials" are (i) Representatives of any U.S. federal or state or local government department, agency, or instrumentality or (ii) Representatives of any entity or company owned or controlled by any U.S. federal or state local government, agency or instrumentality (iii) any person acting in an official capacity for or on behalf of any of the foregoing. These laws make failure to comply a crime.

Furthermore, the FCPA prohibits the bribery of Foreign (non-U.S.) Government Officials and provides very serious civil and criminal sanctions for companies and individuals who fail to comply with the statute. The FCPA may apply to bribes offered directly by a U.S. company and their employees and to bribes offered indirectly, through persons or entities who may act for a company. For purposes of this section of the Code of Conduct, a "Foreign Government Official" is any of the following: regardless of rank, (i) an officer or employee of a government or a governmental department, agency or instrumentality; (ii) a political party, a party official, or candidate for political office; (iii) an officer or employee of a government owned or controlled entity or company; (iv) a member of a military; (v) an officer or employee of a public international organization (such as the United Nations or the World Bank) or (vi) any person acting in an official capacity for or on behalf of any of the foregoing.

Global Anti-Corruption Laws

There are also anti-corruption laws in each country that prohibit bribing government officials or engaging in kickbacks and bribery with private parties, which is also known as commercial bribery. The Company prohibits its employees from engaging in any and all forms of bribery or kickbacks.

Compliance

Failure to comply with the FCPA is not tolerated. Any employee who engages in conduct that results in a violation of the FCPA or violates other global anti-corruption may be subject to disciplinary action, up to and including termination of employment. Penalties for the Company, as well as the applicable individual can be severe and may include large fines and even imprisonment.

Employees are (i) Expected to read and comply with this section of the Code of Conduct in their day-to-day jobs; (ii) If your role is in need of training or if requested by the Ethics and Compliance

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team, complete the Company's required FCPA Training; (iii) Recognize concerns regarding FCPA and anti-corruption compliance; and (iv) Ask questions and promptly report any suspected FCPA violation.

4.3 Anti-Harassment

It is the policy of the Company to maintain a working environment which encourages mutual respect, promotes respectful and congenial relationships between employees and is free from discrimination and all forms of harassment of any employee or applicant for employment by anyone, including supervisors, coworkers, students, vendors, or customers. Harassment in any manner or form is expressly prohibited and will not be tolerated by the Company. Accordingly, management of the Company is committed to vigorously enforcing this policy against harassment, including but not limited to sexual harassment, sexual misconduct and sexual violence at all levels within the Company. Sexually harassing conduct need not be motivated by sexual desire to constitute harassment. It is the responsibility of each employee immediately to report any violation or suspected violation of this policy to one or more of the individuals identified above. Supervisors should immediately report any incidents of harassment or discrimination to the Human Resources Department.

Reported or suspected occurrences of harassment will be promptly and thoroughly investigated in an effort to provide a prompt and equitable resolution. **The Company will not permit or condone any acts of retaliation against anyone who files harassment or discrimination complaints or cooperates in the investigation of the same.**

1. The term "harassment" includes but is not limited to unwelcome slurs, jokes, verbal, graphic or physical conduct relating to an individual's race, religion, sex, sexual orientation, age, national origin, disability or any other protected status. "Verbal" includes communication by any means whether personal or electronic, including but not limited to e-mail, instant messaging, text messaging and blogging. "Graphic" includes prohibited images in any medium, including, but not limited to, drawings, photographs (taken by cameras, cellular telephone devices or otherwise), video images, and digital images.
2. Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature where:
 - Submission to such conduct is an explicit or implicit term or condition of employment;
 - Employment decisions are based on an employee's submission to or rejection of such conduct; or
 - Such conduct interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment.
3. The term "harassment" may also include conduct of employees, supervisors, students, vendors and/or customers who engage in verbally or physically harassing behavior which has the potential for humiliating or embarrassing an employee of the Company.

4. The company also prohibits gender-based harassment, which may include acts of verbal, nonverbal, or physical aggression, intimidation, or hostility based on sex or sex-stereotyping, even if those acts do not involve conduct of a sexual nature.

Complaint Procedure

The Company provides its employees with a convenient and reliable method for reporting incidents of harassment, including sexual harassment. Any employee who feels that he/she has been or is being harassed, or discriminated against may use the following complaint :

1. Informal Complaint Process

The employee may immediately inform the alleged harasser that the behavior is unwelcome. If the informal discussion with the alleged harasser is unsuccessful in remedying the problem or if such an approach is not possible, the employee should report the harassment or discrimination to his/her immediate supervisor or manager. If the complaint involves the employee's supervisor or manager, the employee should contact the next, higher supervisor on the organizational chart to address the issue(s). If the employee is not comfortable in trying to resolve the matter informally or if informal efforts were unsuccessful in remedying the problem, the employee is encouraged to immediately file a formal complaint using the process below.

2. Formal Complaint Process

The employee should immediately file a written complaint with Kendra Myers, Vice President of Human Resources. The written complaint should be sent to the following address:

Kendra Myers
Vice President, Human Resources
13500 Evening Creek Drive North, Suite 600
San Diego, CA 92128

The written complaint must include all facts available to the employee regarding the alleged harassment or discrimination. Once the formal written complaint has been received, the company will begin the investigative procedure.

Investigative Procedure

Once a complaint is received, the Company will begin a prompt and thorough investigation. The investigation may include interviews with involved employees, including the alleged harasser, and any employees who are aware of facts or incidents alleged to have occurred. Once the investigation is completed, based upon a preponderance of the evidence, a determination will be made regarding the validity of the harassment allegations. If it is determined that harassment has occurred, prompt, remedial action will be taken to resolve the situation. This may include some or all of the following steps:

- Restore any lost terms, conditions or benefits of employment to the complainant.
- Discipline the harasser. This discipline can include written disciplinary warnings, transfer, demotion, suspension and/or termination.

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Following the completion of the investigative process, a written response will be provided to the complainant.

3. Appeals Process

If the Complainant is not satisfied with the outcome of the process or written response, he/she may appeal the findings to Diane Thompson, Compliance Officer at Bridgepoint Education. Complainant must submit a written appeal within fifteen (15) business days of receipt of the written response. The appeal must set forth the issue(s) that were unresolved during the investigative procedure. The written appeal should be sent to the following address:

Diane Thompson
Compliance Officer
Bridgepoint Education
13500 Evening Creek Drive N., Suite 600
San Diego, CA 92128

Once the appeal is received, a three (3) member panel consisting of the Compliance Officer, the Sr. Vice-President of Human Resources and a third member to be mutually agreed upon and appointed by the Compliance Officer and the Sr. Vice-President of Human Resources will conduct a review of the written record from the formal complaint process, including all supporting documentation submitted by the Complainant as well as any witness statements. A written decision will be provided to the Complainant.

Employees should feel free to report valid claims without fear of retaliation for registering any complaint of harassment in good faith.

Confidentiality

All reports of harassment will be treated seriously. However, absolute confidentiality is not promised nor can it be assured. The Company will conduct an investigation of any complaint that will require limited disclosure of pertinent information to certain parties, including the alleged harasser.

Duties of Employees and Supervisors

All employees of the Company, both management and non-management, are responsible for assuring that a workplace free of harassment is maintained. Any employee may file a harassment complaint regarding incidents experienced personally or incidents observed in the workplace. The Company strives to maintain a lawful work environment free of all forms of harassment, where all employees are able to effectively perform their work without interference of any type and requests the assistance of employees in this effort.

All Company supervisors and managers are expected to adhere to the Company's non-discrimination and anti-harassment policy. Supervisor's evaluations may include an assessment of the supervisor's efforts in following and enforcing this policy.

All managers and supervisors are responsible for doing all they can to prevent and discourage harassment from occurring. If a complaint is raised, supervisors are to act promptly to notify Kendra Myers, Vice President of Human Resources of the

complaint so that the matter may be investigated and resolved. If a supervisor or manager fails to follow this policy, he or she will be disciplined. Such discipline may include termination.

4.4 Anti-Violence

The Company is committed to providing a workplace that is free from acts or threats of violence. In keeping with this commitment, the Company has established a zero-tolerance policy that prohibits any employee from threatening or committing any act of violence in the workplace, while on duty, while on Company related business or events, or while operating any vehicle or equipment owned or leased by the Company. This policy applies to all employees.

Compliance with this anti-violence policy is a condition of employment. Due to the importance of this policy, a violation of the policy's terms, by engaging in or contributing to violent behavior or by threatening others with violence may lead to disciplinary action, up to and including immediate termination.

All employees are required to report any incident involving an act or threat of violence immediately to a supervisor or the Human Resources department. The supervisor should immediately report the incident to the Human Resources department. Should the incident involve a supervisor, the employee should report the incident to Human Resources. All reports will be investigated by the Company and appropriate corrective action will be taken.

4.5 Drug Free Workplace

This policy applies to all employees. The objectives of this policy are as follows:

- To promote a safe, healthy working environment for all employees
- To provide assistance toward rehabilitation for any employee who voluntarily seeks help in overcoming an addiction or dependence on alcohol or drugs
- To reduce the incidence of injury to person or property and to reduce absenteeism, tardiness, and poor job performance

Prohibitions

The Company prohibits the manufacture, distribution, dispensation, sale, purchase, or transfer of any controlled substance by its employees on Company premises or while conducting Company business. The Company prohibits the unlawful possession or use of any controlled substance by its employees on Company premises or while conducting Company business. Employees may not report to work under the influence of an unauthorized controlled substance.

Controlled substances include those drugs listed in the federal Controlled Substances Act. The Company also prohibits the use, possession, distribution, transfer or sale of any drug paraphernalia on Company premises or while conducting Company business. In addition, the Company prohibits employees from reporting to work under the influence of, dispensing, possessing or using

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alcohol on Company premises or while conducting Company business except as permitted at specific Company events.

In compliance with the Drug-Free Workplace Act of 1988, and as a condition of employment, all employees must:

- Abide by the terms set forth above.
- Notify the Campus Director, President, Director of Human Resources (IA), Vice President of Human Resources Office (CA), or the Director of Human Resources (CO) or other office designated for violations if an employee is convicted of violating any criminal drug statute and the violation occurred on or off Company premises while conducting Company business within five (5) days of the conviction.

When the Campus Director, President, Director of Human Resources, Vice President of Human Resources or other office designated for violations receives notice of a conviction of any criminal drug statute; he or she will coordinate efforts to comply with the reporting requirements of the Drug-Free Workplace Act of 1988.

Drug and Alcohol Testing

The Company reserves the right to conduct blood and/or urine tests for alcohol and drugs when the Company has reasonable suspicion that: the employee is under the influence of, or impaired by, controlled substances while performing services for the Company or while on Company premises; has used controlled substances while performing services for the Company or while on Company premises; is impaired by alcohol while performing services for the Company or while on Company premises; or has used alcohol while on Company premises or while performing services for the Company, except at approved Company events. Reasonable suspicion may be based on a variety of factors, including but not limited to the employee's appearance, conduct, activity/inactivity, equilibrium, speech, attention span, behavior, mental and physical reactions, statements made, odor of intoxicants on breath or clothing of the employee, unsteady gait, and dilated or constricted pupils. The testing will be performed by qualified personnel at an independent drug testing facility selected by the Company.

Supervisors' Guidelines

When a supervisor believes that an employee is under the influence of drugs or alcohol while on the job, the employee's supervisor will immediately contact the Human Resources Department. The employee may be removed from the workplace until the employee is no longer under the influence and/or during the time an investigation is underway. The Human Resources Department will arrange to have the employee transported home or, if there is reasonable suspicion to believe that the employee violated this policy, the Human Resources Department will arrange for transportation to a drug testing facility selected by the Company.

Inspections

Desks, cubicles, offices, storage areas, and all Company materials are Company property and must be maintained according to Company rules and regulations. The Company reserves the right

to inspect all Company property without notice to the employee and at any time to ensure compliance with this policy.

Additionally, whenever the Company suspects that an employee has violated this policy, the Company may inspect the employee's personal effects (including parcels, purses, lunch boxes and briefcases) or automobile if those personal effects or automobile are located on Company property.

Assistance and Rehabilitation

Employees requiring assistance in dealing with the use of alcohol or a controlled substance can receive such assistance in two ways: self-referral and Company referral.

Employees are encouraged to voluntarily seek confidential information and referral assistance from the Employee Assistance Program. Employees may obtain information regarding the Employee Assistance Program on the Company Intranet. Employees are also advised to check with their medical plan administrator for coverage information.

An employee's off-work use of alcohol or drugs can cause excessive absenteeism or tardiness, or cause accidents or poor work performance. If the Company suspects that the excessive absenteeism or tardiness is due to alcohol or drugs, the employee may be counseled to seek assistance.

Consequences and Criminal Penalties

An employee who violates this policy will be disciplined, up to and including termination.

In addition, employees are reminded that conviction under state and federal laws that prohibit alcohol and drug-related conduct can result in fines, confiscation of automobiles and other property, and imprisonment. A conviction can also result in the loss of a license to drive or to practice in certain professions, and barred opportunities from employment.

Drug-Free Schools and Communities Act

In compliance with the Drug-Free Schools and Communities Act, Ashford University and University of the Rockies have implemented programs to prevent the illicit use of drugs and the abuse of alcohol by employees. The program requires the Universities to distribute information annually to employees concerning the possession, use, or distribution of alcohol and illicit drugs at the Universities. This information includes the Universities' standards of conduct relating to the unlawful possession, use, or distribution of illicit drugs and alcohol, health risks associated with the use of illicit drugs and alcohol abuse, resources for obtaining assistance with drug and alcohol abuse, and a summary of legal sanctions for violations of law, as well as University disciplinary actions relating to the unlawful possession, use, or distribution of illicit drugs and alcohol. This information is available for Ashford University at www.ashford.edu/DFSCA and for University of the Rockies at www.rockies.edu/DFSCA.

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Ashford University:

The Ashford University 2013 Campus Security and Fire Safety Report is available for your review. This report is required by federal law and contains policy statements and crime and fire statistics compiled by the University. The policy statements address the University's policies, procedures, and programs concerning safety and security, for example, policies for responding to emergency situations, fire safety and sexual offenses. Statistics for the previous three calendar years are included for certain types of crimes that were reported to have occurred on campus, in or on off-campus buildings or property owned or controlled by the University, and on public property within or immediately adjacent to and accessible from the campus. This report is available online at http://www.ashford.edu/campus_security_and_fire_safety_report. You may also request a paper copy of the report be mailed to you by emailing your request to studentaffairs@ashford.edu.

University of the Rockies:

The University of the Rockies 2013 Campus Security and Safety Report is available for your review. This report is required by federal law and contains policy statements and crime statistics compiled by the University. The policy statements address the University's policies, procedures, and programs concerning safety and security, such as policies for responding to emergency situations and sexual offenses. Statistics for the previous three years are included for certain types of crimes that were reported to have occurred on campus or on public property within or immediately adjacent to and accessible from the campus. This report is available online at http://www.rockies.edu/campus_safety_and_security_report. You may also request a paper copy of the report by responding to studentaffairs@rockies.edu and a copy will be mailed to you.

4.6 Hazardous Materials and Waste

Employees who handle toxic or hazardous substances on behalf of the Company are required to maintain, use, and dispose of such substances in accordance with applicable state, federal and local laws and regulations as a condition of their employment. The employee may obtain assistance in ascertaining his/her obligations under these laws and regulations from the Director of Maintenance. Any employee who violates any such laws, unless such violation occurs despite reasonable reliance upon advice, given by the Company shall be deemed to have acted outside the scope of his/her authority.

4.7 Dangerous Weapons

The possession of firearms of all descriptions, including air powered weapons, firecrackers and any other exploding devices, and any instruments that can be construed as dangerous weapons are not permitted on Company premises. The brandishing or use of such weapons on Company premises shall be considered sufficient cause for immediate suspension pending an investigation. Any violation of this policy concerning dangerous weapons will result in employee discipline up to and including immediate termination.

4.8 Gifts and Gratuities

Accepting personal gratuities or tips offered by anyone for services rendered in the course of one's normal employment is not allowed. Neither are employees to accept gifts of any real monetary value from individuals or organizations with whom the Company does business. Token gifts (less than \$100) may be accepted in the spirit in which they are intended.

4.9 Charitable Contribution and Sponsorship Policy

Through Bridgepoint Education's social responsibility efforts, support of local nonprofit and volunteer organizations is one way we can financially contribute to causes and efforts that employees, as well as our companies, believe in.

The charitable contribution and sponsorship program ensures that donations, sponsorships, and volunteer activities are coordinated and aligned with business goals and are within our budget and resource limitations. All corporate expenditures for charitable donations, sponsorships, and fundraising events will be approved and handled through our Community Relations personnel, overseen by the Advertising and Marketing department.

As such, the following guidelines will apply:

- All incoming and outgoing requests for charitable contributions, sponsorships, volunteer support, and fundraising events will be coordinated and administered by our AVP of Community Relations, Jennifer Love Bruce. Individual employees may not respond to requests from (or solicit) individuals or organizations that have an actual or potential business relationship with our companies.
- Bridgepoint Education has an invitation-only, annual corporate giving process. The Community Relations department invites current nonprofit partners to submit comprehensive grant proposals online once a year. Unsolicited proposals will not be considered. Nonprofits that have not been invited or have not previously received funding can complete our online Letter of Inquiry [form](#) once per year. More information on this process is available on the Bridgepoint Education [website](#).
- Only 501(c)(3) nonprofit organizations and 501(c)(4) social welfare organizations will be considered for charitable contributions, sponsorships, volunteer support, or in-kind donations.
- All corporate charitable contributions, sponsorships, etc. must align with and promote our business goals, create positive visibility for Bridgepoint Education (and its subsidiaries), and demonstrate social responsibility.
- All requests will be reviewed with formal recommendations by the Community Relations

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Department and or the Corporate Giving Review Committee.

- BPI will not support organizations that discriminate on the basis of race, age, sex, religion, national origin, sexual orientation, or disability with respect to employment, volunteer participation, or services.
- Requests from religious organizations will not be considered; however, a community program sponsored by a religious organization will be considered (e.g. food drive, toy drive, etc.).
- Requests to support individuals, political candidates, and political campaigns will not be considered.

4.10 Cell Phone Policy

Business Cell Phones

Eligible employees may receive a Company paid cellular phone to be used for business purposes. In order to receive a cellular phone, the employee must have prior approval from the Director or Executive of their department. The use of personal cell phones for conducting Company business is prohibited, except as specifically authorized by the Senior Vice President/Chief Information Officer. Because cell phones may contain confidential, sensitive or other protection-required information, all cell phones used for Company business purposes must be secured in accordance with BTS Policies and Standards at all times.

To request a business cell phone, the Director or Executive must submit a service request through Service Point. Once approved, the Company will distribute the phone to the Employee. The employee is responsible for maintaining his or her individual cell phone in good working condition, including against damage, theft, or loss. Lost or stolen cell phones shall be reported to the BTS Service Desk as soon as possible so that the device can be disabled and any information stored on it remotely wiped clean by BTS.

Driving and Business Cell Phone Usage

Effective July 2008 (California only), all cell phone users are required to use a hands free device when driving. To comply with this, the company will supply those employees who have a company cell phone with a hands free device such as a Blue Tooth, or other wireless headset. In addition, employees shall not text while driving.

Personal Cell Phone Usage

Personal cell phones should not be used for business Purposes, except as specifically authorized by the Senior Vice President/Chief Information Officer. Personal cell phones cannot be used to call or text a current or prospective student under any circumstances. Employee may not use personal cell phones during

work hours at Bridgepoint Education, Inc, except for cases of emergency. Employees are therefore asked to make personal calls or text messages during breaks, lunch periods, and only in designated areas. Designated areas for personal cell phone use include: outside all buildings and facilities, in break and lunch rooms, cafeterias and patios. All personal cell phones are to be turned to silent or vibrate mode during business hours as ring tones interfere and distract others while they are trying to conduct business.

4.11 Work Environment Policy

The Company is dedicated to providing our employees with an attractive, functional and safe office environment. We have taken great measures to provide all associates with workstations that are both comfortable and functional for both current and future Employees. Because of this, it is imperative for all employees to treat our work environments with respect and pride. These guidelines apply to all work environments apart from private offices, including cubicles and reception areas.

General Guidelines:

- Personal items must not interfere or conflict with the workspace needed to accomplish each task.
- Personal items should be kept to a minimum – photos of family, friends and pets are welcome, however all photos must be workplace appropriate.
- Furniture, as installed, will remain attached and in place for original intended use. No items are to be placed on top of workstation dividers.
- Front of workstations, facing all aisles and corridors, will be free of clutter and decorations unless otherwise approved by Management.
- All potlucks and/or on-site celebrations need to be restricted to break rooms, lunchrooms, dining area or in outdoor lunch areas provided on company grounds. Must be away from all copiers and work areas.
- Common areas must be kept clean at all times to maintain all furniture and office equipment. If you notice a spill or any situation that could be considered an office hazard, notify Facilities immediately.
- Conference room chairs should be straightened and organized in a professional manner when meetings conclude.
- If in the event the chair assigned to your workstation breaks or is missing, contact Facilities for replacements.

The following items are NOT approved:

- Furniture from home including exercise balls, small tables, etc.
- Waterfalls
- Fish bowls, ant farms, or any object that contains any living thing
- Candles, incense burners, or any device using an open flame or heat source
- Floor heaters or other electric heating devices.

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- Blankets (including non-electric types, snuggles, sleeping bags, sheets or any other linens not categorized as approved dress code attire)
- Any items identified by Human Resources as restricted per location specific health and safety requirements. In the event special restrictions apply to your location, signs will be clearly posted and area leadership will be notified. If notified that you are located on a floor with special restrictions, failure to comply with those restrictions may result in disciplinary action, up to and including termination.

4.12 Private Office Standardization

The Company is dedicated to providing our employees with an attractive, functional and safe office environment. The appearance of Private Offices should support the perception of a professional organization that prides itself on demonstrating excellence within the workplace. We ask that associates who have a private office to take great care in the decoration and functionality of your office so as to remain consistent with the overall image that the Company has set forth in all buildings. It is also the individual's responsibility to ensure the protection and preservation of your office.

Standard office furniture provided by Bridgepoint Education:

- "U" shaped wood "Indiana" desk (Dark Espresso finish)
- Wood overhead with task light ** (There are exceptions to some of the corner offices that were furnished with a wood lateral file and bookcase)
- 1 Brown Leather Humanscale "Freedom" Desk chair
- 2 Guest Side chairs in standard fabric selected for that floor

Please do not remove or add any furniture without prior approval from your Manager.

Any additional furniture requirements need to match the existing wood furniture. The Director of Facilities and Facilities Planner have a list of additional furniture options available for your review. Any additional furniture must be approved by your manager prior to ordering.

Other approved items for your office include:

- Family and friend photos are allowed if framed appropriately. Please keep these items at a reasonable level.
- Small stereos and iPod docking stations are acceptable however we request that you keep the look in theme with the office.
- Plants are allowed if provided by Graham Interiors and maintained by Graham Interiors. Occasional gifted flowers are approved if fresh and maintained.
- Artwork is allowed if framed to match the wood furniture provided. Facilities must approve any artwork prior to its display.
- Diplomas must be framed to match office décor.

- Company standard nameplates (as provided by Facilities)

The following items are NOT approved:

- No unframed artwork, pictures, diplomas, etc
- No accessories or plants placed on top of overheads
- Furniture from home or purchased without management approval
- Floor lamps and desk lamps (other than those provided)
- Fish bowls, aquariums, ant farms or any object that holds any living thing
- Waterfalls
- Heaters, fans or other electric temperature controlling device
- Blankets (including non-electric types), snuggles, sleeping bags, sheets or any other linens not categorized as approved dress code attire)

4.13 Ergonomic Policy

The Company is committed to providing a safe and healthy environment for its employees. Employees requiring adjustment to their equipment and /or workstation for ergonomic purposes may begin the ergonomic request process by filling out the Ergonomic Evaluation Request Form. This form may be found on The Quad or via the Document Library within the HR area of InSite. In addition to the completed request form, an employee will supply proof of completion of the Ergonomic Training module, which may be obtained through DevelopU in ADP Self Service.

Requests will be evaluated and addressed based on urgency of need. Any medical documentation or prescriptions should be included with the original request. Every effort will be made to accommodate the employee in a reasonable and timely fashion.

4.14 Lactation Accommodation

Employees who wish to express breast milk while at work may request the opportunity to do so. Efforts will be made to accommodate eligible employees by allowing them to express breast milk in a private area. The Company has designated Wellness Rooms at each location for this purpose. Nursing mothers wishing to use this room must request/reserve the room by clicking [here](#). Where an employee has a private office, it may be used for that purpose. Employees can exercise this privilege during their regular rest periods when possible. If it is not possible to exercise this privilege during a regular rest period, employees can arrange with their supervisor to take additional time or express breast milk at a different time. The time will be paid when employees use their regular rest periods to express breast milk. In some instances where special accommodations are made and a nonexempt employee receives time off in addition to her rest period to express breast milk, the additional time may be unpaid.

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4.15 Employee Identification Badges

To ensure a safe and secure work environment for its employees the Company requires all employees to display the appropriate identification (ID) as evidence that they are an employee. All employee identification badges contain pictures and must be visible and worn at all times; all employees must swipe their identification badge to enter a company building or suite (that contain access readers) and at no time should an employee give access to another employee once their badge is swiped. Each employee should gain access with his/her own identification badge and should not allow anyone to follow in behind them. If an identification badge is lost or missing the employee must report it to their manager immediately; the manager is responsible for requesting a replacement ID badge for their employee. Please see the Badge Replacement Form under the Facilities site on the intranet under Explore documents shared by the Facilities team, Security forms. To ensure compliance of this policy various forms of auditing will include, but are not limited to: automated listings, onsite inspections and manager inventory of all employees monthly.

All managers of the Company are responsible to ensure all employees, visitors and guests are adhering to the employee identification badge policy. Employees that travel frequently may request employee identification badges for all Bridgepoint Education locations.

4.16 Guest/Visitor Identification Badges

All visitor and guests of the Company must wear a temporary badge and be escorted at all times by a Company employee.

4.17 Community Relations Policy

Sponsored Initiatives

At this time, Bridgepoint Education only promotes community related initiatives through the Heroes Volunteer Program.

For employer-sanctioned events, you must conduct yourself in a professional manner *at all times*. Please enjoy the event, but remember to act responsibly *at all times*, including during travel, event hours, and after event hours. Those who display behavior or act outside of the policies set forth in the employee handbook, and/or engage in any egregious behavior, shall be subject to disciplinary action up to and/or including termination.

Email

Unless it is a community-related initiative approved by the Community Relations department, please do not send emails from your Bridgepoint Education/Ashford University/University of the Rockies account regarding events outside of Bridgepoint. Only sponsored community-related initiatives can be shared/discussed through company email accounts. For non-sponsored initiatives, please communicate through personal emails only.

Printed Materials

Flyers or other printed materials for non-company related events may only be hung on designated bulletin boards in the cafeteria (dining room). Please note that the break rooms are not sanctioned common areas. Only sponsored community-related initiatives can be distributed and posted in the break rooms. Materials for noncompany sponsored events may not be distributed.

Collections

Collections (such as food or toy drives) may only be coordinated through a Bridgepoint initiative by the Community Relations Department. This includes holiday initiatives, drives, etc. You may not solicit employees for collections under any circumstance. If a collection is unsponsored, you will be asked to remove any materials associated with the collection from the premises.

Volunteering

Bridgepoint Education is extremely proud of the active volunteerism among our employees. Please keep in mind that volunteering is an activity that must be performed after work hours or on the weekends, and that you will not be paid for any volunteer hours. You must schedule your time to volunteer so it does not interrupt your work schedule.

When volunteering for a Bridgepoint Education sponsored initiative, please represent Bridgepoint Education with enthusiasm and respect. Photos may be taken of you for use in promoting other Bridgepoint events. When you volunteer in the community (not Bridgepoint-sponsored), you do so as a citizen not as an employee. You are not allowed to appear in your volunteer role on behalf of Bridgepoint Education or speak on behalf of the company.

You may volunteer individually or as part of a group. However, it is your responsibility to coordinate any volunteer efforts. Volunteering is **not** mandatory. Your title in the organization should not affect anyone's decision to participate in an event, and you should not leverage your position to make anyone feel obligated to participate.

Any employee's relationship with a non-profit or public service organization shall be solely between the employee and such organization, and neither Bridgepoint Education, Inc. nor its affiliates shall bear any responsibility for any injury or damage arising out of such employee's decision to volunteer with any such organization.

The BPI/AU/UoR logo may not be used on any materials/collateral/shirts for events that are not sponsored initiatives by Bridgepoint Education or its institutions.

Profits 4 Purpose

This company serves as a guide to help those employees interested in volunteering get connected with volunteer opportunities occurring throughout our communities. The opportunities listed are simply suggestions. You are free to volunteer wherever you like, taking into consideration the

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volunteering guidelines outlined above. The list of organizations is not exhaustive, and should not be construed to suggest that any employee is required to volunteer with any organization. The inclusion of an organization on this site does not indicate an endorsement of such organization (or of any religious or political point of view promoted by such organization) by Bridgepoint Education, Inc. or its affiliates. Display of an event or activity on the site shall not be construed as a requirement that any employee participate in such an event, nor shall it be construed as a commitment by Bridgepoint Education, Inc. to pay any costs of an employee's participation in such an event.

Employees are encouraged to use [Profits4Purpose](#) as a means of tracking volunteer hours. The regular, benefits-eligible employee with the most volunteer hours for each institution at the end of the year will be named Hero of the Year and have a \$1,000 donation made to a nonprofit of their choice in the employees name.

If you have any questions, please contact the Community Relations department at bridgepointheroes@bridgepointeducation.com.



Employee Benefits

The information provided in this article is a summary description of available benefits. Authoritative information is contained in the Summary Plan Description, state statutes or other official benefit documents, with the exception of those benefits provided by the Company. Benefits are subject to change from time to time and are applicable as modified.

5.1 Health Insurance

Bridgepoint Education is concerned about the security of its employees. Disability or unexpected medical expenses could result in financial hardship to individuals and families. For this reason, a group insurance program is available to full-time employees, with the Company paying a portion of the insurance premiums. This program includes health insurance, life/AD&D and long-term disability insurance.

The Company offers a comprehensive benefits program to full-time employees. Benefits are available the first of the month after date of hire. Information regarding these benefits is located on The Quad or employees can submit a ticket using the HR/Payroll Service System.

Employees requesting dependent coverage must submit evidence of dependent relationship such as a marriage certificate, proof of domestic partnership, birth certificate or adoption documents at the time of their enrollment in the benefits program. If you are an employee of the company and a dependent of an employee of the company, you can be enrolled in coverage either as an employee or a dependent, but you cannot be enrolled in coverage both as an employee and a dependent.

Information and brochures concerning the various benefits are distributed through the Human Resources Office at the time of hire and are updated periodically.

Employees with questions concerning health and disability benefits should visit the Quad or submit a ticket using the HR/Payroll Service System.

5.2 Health Insurance Continuation (COBRA)

All employees who participate in the Company's group health plan will be given the opportunity to continue these coverage's under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Examples of events that trigger a loss of coverage include termination of employment, reduction in work hours that results in a change of status from Full-Time to Part-Time and divorce. The cost of COBRA coverage is equal to 102 percent of the total cost for coverage. COBRA notices are mailed to the employee and eligible insured dependents within fourteen (14) days from the date when coverage is terminated.

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5.3 Flexible Benefits Plan

The Flexible Benefits Plan is regulated by Section 125 of the Internal Revenue Code (IRC). Benefit elections are irrevocable except as provided under the terms of the plans.

Benefit election occur as follows:

- Upon initial eligibility; and
- During annual Open Enrollment

5.4 Unemployment Compensation Insurance

If the Company is unable to continue the employment of an employee, the employee may be eligible to receive weekly unemployment benefits, provided the employee meets the eligibility requirements of state law. Eligibility for benefits and the amount of benefits are determined by state and federal law.

5.5 Worker's Compensation

An employee who is unable to work due to an injury arising out of and in the course of employment is eligible for Worker's Compensation benefits in accordance with the provisions of applicable California, Colorado, or Iowa state laws. Compensation benefits may be supplemented by payments from earned Company sick leave, but the total payments may not exceed basic pay. If an employee member suffers an accidental work-related injury or disablement, the employee should immediately contact the supervisor and the Human Resources Office, which will process the appropriate forms and disseminate information.

5.6 Social Security

Bridgepoint Education matches the employee's contribution to the Federal Social Security Program. Retirement and disability benefits are made available through this program according to the rules and regulations of the Social Security Administration of the United States Department of Health and Human Services. The Company follows all federal regulations.

5.7 Retirement Annuity Plan

All employees, when eligible for benefits, can participate in the Bridgepoint Education Retirement 401(k) Plan. Details of the plan are located on The Quad.

Section 6



Discretionary Benefits

6.1 Education Tuition Benefit Program

General Program Information / Participation Guidelines

Eligible employees may participate in the Education Tuition Benefit Program (ETP). The Education Tuition Benefit Program allows eligible employees to receive tuition discounts or waivers for courses offered by Ashford University and University of the Rockies.

Employees are encouraged to register and attend classes only after careful consideration of the time and other commitments involved in a formal higher education program.

Please note that no exceptions will be made to the Education Tuition Benefit Program policy.

Ashford University Only

The ETP is only available as a primary payment option, and may not be paired with any other payment option other than Cash.

*Effective April 1, 2014, any eligible employee wishing to enroll in a Bachelor's or Master's program through Ashford University utilizing the Employee Tuition Benefit Program must agree not to receive funding from the federal student financial aid programs (such as, Pell Grant and Direct Loans); this is a condition of participation in the ETP.

Employees who are currently receiving federal student financial aid will not be eligible to start utilizing the ETP until the end of their current payment period. Any future federal student financial aid disbursements will have to be canceled upon acceptance of the ETP.

The choice to participate in the ETP is completely optional and any eligible federal student financial aid is always available to employees who choose that payment option in lieu of participation in the ETP. Employees will become ineligible for the ETP if they choose to receive funds from any federal student financial aid program for the same enrollment period.

Expectations

Participation in the Education Tuition Benefit program is a privilege of employment. Employees must demonstrate behavior consistent with the Company's professional reputation both in and out of the classroom. Employees are expected to conduct themselves in a professional and ethical manner and adhere to the Student Code of Conduct at all times during their enrollment in a course or program. Please fully review the Student Code of Conduct contained in the appropriate University Catalog. Employees should also act in accordance with our Employee Code of Conduct (Section 4.1). Please fully review the policies for this benefit prior to enrolling.

Employees may not complete their school work during working time and courses may not interfere with job performance. Employees may not use or attempt to use his/her employment status with the Company to seek special benefits for concessions from an instructor or from other students.

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Employees are prohibited from utilizing their employment status to gain inappropriate access to other student's course information or other education records. Employees may not create or access their own education records or the educational records of spouses or dependents. For purposes of this policy the term "records" includes student records, administrative systems and all paperwork and electronic data associated with educational records. Employees who update their own educational record or the record of a dependent are subject to disciplinary action up to and including termination.

Employment Eligibility / Dependent Eligibility

1. A full time (40 or more hours per week) employee in good standing is eligible for the Education Tuition Benefit program after successful completion of the first six (6) months of employment.

Participation may begin the first day of the month following six (6) months after the employee's hire date. Part-time and temporary employees are not eligible to participate in the Education Tuition Benefit Program.

2. Classes taken in the Masters and Doctorate programs must be relevant to the employee's job. Employee's manager in conjunction with Benefits will review to determine the relevancy of the program to the employee's job.

3. An Employee on University academic sanction including academic or scholastic disqualification, suspension, dismissal or expulsion is ineligible for future participation in the Education Tuition Benefit program.

4. An employee (or dependent of employee) is not eligible to receive the Education Tuition Benefit program benefit if:

- the employee is no longer in good standing or meeting expectations in their current position.
- the employee is on a leave of absence of ninety (90) days or longer.
- the employee or the employee dependent has withdrawn from, completed unsatisfactorily or failed a course on two (2) occasions.
- the employee has not successfully completed the first six (6) months of employment.
- the employee (or dependent of employee) has an outstanding balance of any kind.
- The employee chooses to receive funds from any federal student financial aid program for the same enrollment period (*Ashford University Programs Only*).

5. For purposes of this policy, dependents who are eligible to receive the benefit on a tax free basis are defined by the federal government as a dependent child or spouse of any employee.

Dependents who are eligible to receive the benefit on a post tax basis are defined by the federal government as the child of a registered domestic partner or domestic partner of an employee.

Employees must submit evidence of dependent/spouse relationship such as a marriage certificate, proof of domestic

partnership, birth certificate or adoption documents along with Education Tuition Benefit Program form. (The form is located on Insite under the HR Tab, Employee Tuition Request Form.)

It is the employee's responsibility to assure that his or her dependent understands and agrees to comply with the Student Code of Conduct in the applicable college catalog. The employee will be accountable for ensuring payment of tuition and appropriate conduct (as described in this policy).

Procedure

In order to participate in the Education Tuition Benefit Program, employees must obtain supervisor approval prior to applying for the benefit. The proper procedure includes:

1. Complete the Education Tuition Request Form located on Insite (under the HR Tab, Employee Tuition Request Form).

2. The form will be submitted to your supervisor/manager for approval.

3. Complete the Employee Tuition Program tutorial/assessment (located in DevelopU, search for Employee Tuition using the search bar in the top right hand corner)). This assessment must be completed by the employee on behalf of his/her dependent if the employee's dependent is applying for the benefit.

4. For an employee applying for the Education Tuition Benefit Program through Ashford University: once all approvals have been obtained, employee will complete the Ashford University Online Application (OAP) using the affiliation code "ETP." The employee must provide a valid credit card at this time that will be charged in the event the employee has an outstanding balance for more than thirty (30) days. The employee will then send an email to Employee.Applications@Ashford.edu with the subject line: Employee Application – Employee's Name. The email must have a signed copy of the Transcript Request Page (TRP) attached (as well as the AARTS or SMART transcript page, if applicable) with the employee's email address, phone number and date the OAP application was completed. The Admissions Operations Coordinator will create a Talisma profile for the employee and send the file to Matriculation for enrollment.

For an eligible employee dependent applying for the Education Tuition Benefit Program through Ashford University: once all approvals have been obtained, dependent will complete the Ashford University Online Application (OAP) using the affiliation code "BPE." He/She will need the affiliation code and employee finance option.

5. For employees applying for the University of the Rockies: Once all approvals have been obtained, the employee will be able to complete the Admissions Application using the affiliation code "BPE." He/She will need the affiliation code and employee finance option. The employee must also provide a valid credit card at this time that will be charged in the event the employee has an outstanding balance for more than thirty (30) days. The employee will then email a copy of their Transcript Request Page (TRP) along with a copy of their unofficial transcripts to employee.applications@rockies.edu

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where he/she will be added to the UoR Employee Waitlist. Once the employee has been approved to start class he/she will receive notification of his/her start date along with login credentials.

Waivers and Discounts - Courses Taken By Eligible Employee

1. The employee Education Tuition Benefit is a one hundred percent (100%) tuition waiver for all courses within the Degree Programs (undergraduate and Masters) at Ashford University or the Masters programs at University of the Rockies.

2. The employee Education Tuition Benefit is a seventy-five percent (75%) tuition discount for courses within the Doctorate Programs at University of the Rockies.

3. The employee is responsible for paying the full cost of books, course materials, and the graduation fee within thirty (30) days of receipt of invoice. As a condition to participating in the ETP for an Ashford program, the employee is agreeing not to seek federal financial aid, even for these out of pocket expenses. Also, the employee participating in ETP is not eligible for any promotional offers, discounts or Institutional Loans as long as he/she is receiving the tuition waiver through the Education Tuition Program.

4. Under no circumstance will the tuition waiver be applied to any course in which employee withdraws from class (OW, W, WF, or WU), fails a class (F), or completes class unsatisfactorily (U).

5. Any employee who incurs a debt to Bridgepoint Education, Inc. or a subsidiary is responsible for the immediate payment of the obligation. All outstanding balances beyond thirty (30) days will be automatically charged to the credit card on file on the thirty-first (31st) day.

Discounts – Courses Taken by Eligible Dependents

1. The eligible dependent child or spouse of an employee may receive an eighty percent (80%) tuition discount for all courses within the undergraduate program on a tax free basis at Ashford University.

2. The dependent child of a registered domestic partner and registered domestic partner of an employee may receive an eighty percent (80%) tuition discount for all courses within the undergraduate program at Ashford University on a post tax basis. The employee will be taxed on behalf of his/her dependent via payroll on a per class basis.

3. All eligible employee dependents may receive an eighty percent (80%) tuition discount for all courses within the Masters program at Ashford University or the University of the Rockies on a post tax basis. The employee will be taxed on behalf of his/her dependent via payroll on a per class basis.

4. All eligible employee dependents may receive a twenty-five percent (25%) employee tuition discount for courses within the doctorate programs at University of the Rockies on a post tax basis. The employee will be taxed on behalf of his/her dependent via payroll on a per class basis.

5. The employee's dependent (or employee on behalf of their

Dependent) is responsible for paying the full cost of books, course materials, and the technology fee. Employees and their dependents are not eligible to utilize Institutional Loans. The employee dependents are not eligible for any promotional offers, scholarships, grants or discounts.

6. Under no circumstance will the tuition waiver be applied to any course from which dependent withdraws from class (OW, W, WF, or WU), fails a class (F), or completes the class unsatisfactorily (U).

Continued Approval

Continued approval for the Employee Tuition Benefit may be denied if:

1. The employee is not performing on the job at a satisfactory level.

2. A student withdraws from a course or has received a grade of "F," "OW," "W," "WF," "WU," or "U."

3. The employee or employee's dependent(s) has repeatedly failed to pay tuition or any outstanding balance in a timely manner.

4. The employee or employee's dependent has behaved in an unprofessional or inappropriate manner during a course or in connection with a course.

5. The employee, or the employee's dependent, has violated this policy.

6. The employee chooses to receive funds from any federal student financial aid program for the same enrollment period (*Ashford University Only*).

If any of the above situations occur, the employee/dependent will not be eligible for the Education Tuition benefits. If an employee or dependent falls into a drop/withdrawal status for more than fourteen (14) days; he/she will be required to reapply for the benefit.

Bridgepoint Education and its subsidiaries reserve the right to discontinue an employee's eligibility to participate in the Education Tuition Benefit program at any time for any reason. If an employee is removed from the program, he/she would be allowed to complete the class in which he/she is currently enrolled or are scheduled to begin within ten (10) business days of the "event". Once that course is complete, the employee will be removed from the program and must reapply in order to receive the waiver on future courses.

Other General Rules

1. Financial accounts found to be delinquent or outstanding for thirty (30) days or more may result in one or more of the following:

- the employee or dependent student may not obtain official student transcripts.
- the employee or dependent is ineligible to participate in the Education Tuition Benefit program.

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- information regarding the debt may be reported to a collection agency.
- discipline up to and including termination.

2. Any employee or dependent participating in the Education Tuition Benefit program who incurs a debt to Bridgepoint Education or a subsidiary is responsible for the immediate (within thirty (30) days of grade disbursement) payment of the obligation.

This includes any amount owed to Bridgepoint Education, or a subsidiary by the employee or dependent as a result of withdrawal (OW, W, WF, or WU) from a class, failing (F) a class, or receiving an unsatisfactory (U) grade in the course. The employee will not be eligible to participate in the Education Tuition Benefit program until such time as the debt is paid in full to the company.

3. If an employee seeks a tuition waiver or discount for more than one class at a time or classes that overlap for more than one week (regardless of whether the employee or dependent will be taking the class), the employee must obtain written approval from his/her department Vice President and submit a new Education Tuition Request Form. Such approval will be granted only in limited cases.

Employees generally may NOT receive a tuition waiver or discount for more than one class at a time.

Employee Notice and Disclosure Obligations

Employees are responsible for:

- Notifying his/her supervisor at the time of withdrawal from a course or degree program. Withdrawal must be due to a definable and extenuating circumstance.
- Disclosing the Education Tuition Benefit program on the appropriate institutional form for employees and/ or dependents choosing to apply for federal financial aid. (employees are only eligible for financial aid through the Employee Tuition Benefit Program if they are enrolled in the University of the Rockies). Failure to do so may result in the disqualification of both the employee and/or his/her dependent from the Education Tuition Benefit Program, and may include disciplinary action up to and including termination of employment.
- Employees and their dependents cannot utilize any other discounts, promotional campaigns, scholarships, or institutional loan programs offered by Bridgepoint Education or its subsidiaries when participating in the Education Tuition Program.

Bridgepoint Education may, in its sole and absolute discretion, modify, rescind or delete this policy at any time for any reason.

NOTE: All questions pertaining to course fees and billing should be directed to the Corporate Finance department. Questions regarding the participation in the Education Tuition Benefit program should be directed to Human Resources.

Faculty Education Tuition Benefit Program

General Program Information /Participation Guidelines

Eligible faculty members may participate in the Faculty Education Tuition Benefit Program if they meet the eligibility requirements below. The Faculty Education Tuition Benefit Program for eligible faculty members provides tuition discounts for doctoral-level courses and applies only to such courses offered by University of the Rockies.

Eligible faculty members are encouraged to register and attend classes only after careful consideration of the time and other commitments involved in a doctoral-level program.

Please note that no exceptions will be made to the Faculty Education Tuition Benefit Program policies.

Discounts—Courses Taken By Eligible Faculty Members

1. The Faculty Education Tuition Benefit Program for faculty members provides a thirty-five percent (35%) tuition benefit discount for all doctoral-level courses within degree programs offered at University of the Rockies.
2. The faculty member is responsible for paying the balance of the tuition cost, the full cost of books, course materials, and the graduation fee within thirty (30) days of receipt of invoice. The faculty member is not eligible for any promotional offers, discounts, or institutional loans as long as she or he is receiving the tuition benefit discount.
3. Under no circumstance will the tuition discount be applied to any course in which the faculty member withdraws from class (OW, W, WF, or WU), fails a class (F), or completes a class unsatisfactorily (U).

Expectations

Participation in the Faculty Education Tuition Benefit Program is a privilege of employment. An eligible faculty member must demonstrate behavior consistent with the University's professional reputation both in and out of the classroom. The eligible faculty member is expected to conduct her/himself in a professional and ethical manner and to adhere to the Student Code of Conduct at all times during her/his enrollment in a doctoral-level course or program. Please fully review the Student Code of Conduct contained in the *University of the Rockies Academic Catalog*. The eligible faculty member must also act in accordance with the Employee Code of Conduct (Section 4.1) of the *Bridgepoint Employee Handbook* as well as the *Ashford University Online Faculty Handbook* and/or the *Ashford University Clinton Campus Faculty Handbook* including but not limited to the Faculty Expectations and Responsibilities section. Please fully review these policies prior to enrolling.

An eligible faculty member may not use or attempt to use her/his status as a faculty member with Ashford University or University of the Rockies to seek special benefits or concessions from an instructor or other students.

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Eligibility

Faculty members in good standing at Ashford University or University of the Rockies must be on active status (teach a minimum of one course per year) to participate in the Faculty Education Tuition Benefit Program. They are eligible for the benefit after successfully teaching at least nine (9) courses at Ashford University, University of the Rockies, or a combination of classes taught between the two universities. Participation may begin the first day of the month following the successful completion of at least nine (9) courses.

A faculty member on University academic sanction, including academic or scholastic disqualification, suspension, dismissal, or expulsion is ineligible to participate in the Faculty Education Tuition Benefit Program.

Additionally, a faculty member is not eligible to receive a faculty education tuition benefit if she or he:

- Is no longer in good standing or meeting expectations in her/his faculty member position;
- Is no longer teaching for Ashford University or University of the Rockies;
- Has withdrawn from, completed unsatisfactorily or failed a course on two (2) occasions during the doctoral program in which she/he is enrolled; or has an outstanding balance with University of the Rockies, of any kind.

Benefit Application Procedure

To participate in the Faculty Education Tuition Benefit Program, the faculty member **must obtain written approval** from her/his Dean prior to applying for the benefit.

The procedure to follow when seeking to use the tuition benefit includes the following:

1. Complete the Education Tuition Request form located in the Faculty Resource Center.
2. Submit the Education Tuition Request form to the Dean for approval.
3. Review the Faculty Education Tuition Program Resource Document (located in the Faculty Resource Center).
4. Submit the completed Education Tuition Request form to the Benefits Department for final approval, as outlined in the Tuition Benefit Resource Document.

Continued Approval

Continued approval for the Faculty Education Tuition Benefit Program may be denied if:

1. The faculty member is not performing her/his teaching duties at a satisfactory level, as determined by Ashford University or University of the Rockies.
2. Ashford University or University of the Rockies has determined that a faculty member will no longer be offered courses to teach. In this case, she/he may be allowed to complete the class she/he is currently enrolled in or scheduled to begin within ten (10) business days of the end of the teaching assignments for Ashford University or University of the Rockies. Once that course is complete, the faculty member will be removed from the Faculty Education Tuition Benefit Program.

3. The faculty member (as a student) withdraws from a course or has received a grade of "F," "OW," "W," "WF," "WU," or "U."
4. The faculty member repeatedly fails to pay tuition or any outstanding balance in a timely manner.
5. The faculty member behaves in an unprofessional or inappropriate manner during a course or in connection with a course.
6. The faculty member fails to adhere to institutional policies including those policies outlined in the *Ashford University Online Faculty Handbook* or the *Ashford University Clinton Campus Faculty Handbook* and/or the *Bridgepoint Education Employee Handbook*.

If any of the above situations occur, the faculty member will not be able to continue receiving existing faculty education tuition benefits nor will she/he be eligible for future faculty education tuition benefits.

If a faculty member becomes ineligible for the education tuition benefits because she/he has voluntarily requested to be removed from active teaching status at Ashford University or University of the Rockies she/he may reapply for the benefit once she/he reestablishes eligibility by teaching at least one course.

If a faculty member is enrolled in a degree program for which she/he is receiving a discount under the Faculty Education Tuition Benefit Program and is inactive in that program for more than twenty-nine (29) days and falls into a drop/withdraw status, she/he will be required to reapply for the benefit.

Bridgepoint Education and its subsidiaries also reserve the right to discontinue a faculty member's eligibility to participate in the Faculty Education Tuition Benefit Program at any time for any reason.

Other Requirements

1. A delinquency or an outstanding balance of thirty (30) days or more in a faculty member's student financial account(s) with University of the Rockies may result in one or more of the following:
 - The faculty member may not obtain official student transcripts.
 - The faculty member will be ineligible to continue to participate in the Faculty Education Tuition Benefit Program.
 - Information regarding the delinquency or debt may be reported to a collection agency.
2. For continued eligibility for the Faculty Education Tuition Benefit Program, any faculty member who incurs a debt to Bridgepoint Education, Inc. or to one of its subsidiaries, for any purpose, must make immediate payment of the obligation. On the thirty-first (31st) day past the due date of the obligation, all outstanding balances will automatically be charged to the faculty member's credit card on file.

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This requirement includes any amount owed to Bridgepoint Education, Ashford University, or University of the Rockies by the faculty member as a result of withdrawal (OW, W, WF, or WU) from a class, failing (F) a class, or receiving an unsatisfactory (U) grade in a University of the Rockies course. The faculty member will not be eligible to participate in the Faculty Education Tuition Benefit Program until such time as the debt is paid in full to the institution.

3. If the faculty member seeks a tuition discount for more than one class at a time or classes that overlap for more than one week, the faculty member must obtain written approval from her/his Dean and submit a new Education Tuition Request form. Such approval will be granted only in limited cases. Faculty members generally may NOT receive a tuition discount for more than one class at a time.

Faculty Member Notice and Disclosure Obligations

1. A faculty member is responsible for notifying her/his Dean at the time of withdrawal from a course or degree program for which a faculty education tuition benefit has been obtained. Withdrawal must be due to a definable and extenuating circumstance.
2. If a faculty member chooses to apply for federal financial aid, the faculty member is responsible for disclosing the faculty education tuition benefit on the appropriate institutional form for federal financial aid. Failure to make said disclosure may result in the disqualification of the faculty member from the Faculty Education Tuition Benefit Program and/or result in the faculty member being ineligible for any teaching assignments with Ashford University and/or University of the Rockies.
3. Faculty members may not utilize any other discounts, promotional campaigns, scholarships, or institutional loan programs offered by Bridgepoint Education or its subsidiaries when participating in the Faculty Education Tuition Benefit Program.

Bridgepoint Education, Ashford University, or University of the Rockies may, in its sole and absolute discretion, modify, rescind, or delete this benefit program at any time for any reason.

NOTE: All questions pertaining to course fees and billing should be directed to the Finance Department at (866) 475-0317 Ext. 2114. All questions regarding participation in the Faculty Education Tuition Benefit Program should be directed to the Benefits Department in Human Resources at benefit@bpiedu.com.

6.2 External Tuition Reimbursement Program

Education Provided by Non-Bridgepoint Education, Inc., Institutions:

1. The employer may reimburse an employee for tuition costs of a class or program at a Non-Bridgepoint Inc., educational institution, if employee satisfies all of the following criteria:

- The employee meets the eligibility requirements of the education tuition benefit program participation guidelines, and
- The employee has completed six (6) months of continuous employment, and
- The course work is not being offered by any of Bridgepoint Education's subsidiary institutions, and
- The program is relevant to and will improve the employee's current job/professional responsibilities, and
- The employee's participation in the Non- Bridgepoint Education, Inc., class/program is approved by the CEO of Bridgepoint Education, Inc. or the appropriate University President, and
- The employee receives a grade of C or better in a class.

2. To request approval to participate in such a class or program, the employee must complete the External Institution Program Request Form, available in the Document Library on Insite (under HR tab). The Form should then be directed to the employee's immediate supervisor/manager for approval followed by the department/campus director, and finally the University President for Ashford University and University of the Rockies employees or CEO of Bridgepoint Education, Inc. for Bridgepoint Education employees.

3. All approvals must be obtained prior to the employee's participation in the class or program.

4. To receive tuition reimbursement, the employee must submit External Tuition Program Reimbursement Form (located in Document Library of Insite, HR tab) along with the necessary documents to HR and will be reimbursed through the normal payroll process. As supporting documentation to the reimbursement request form, the employee must submit a copy of his/her grades or certificate of completion, along with proof of payment for the course. Reimbursement will be on a course by course basis, following receipt of grades.

5. The employee's supervisor/manager must approve the External Tuition Program Reimbursement Form before it can be processed. Approval indicates that only authorized expenses are being approved, that all documenting requirements have been met, and that the report is in full compliance with established Company policy. The supervisor/manager, as well as the employee, assumes responsibility for compliance with all Company policies.

6. Reimbursement is limited to five thousand two hundred fifty dollars (\$5,250) per calendar year and covers tuition only. Books and all other fees and expenses are the employee's responsibility.

7. The opportunity to obtain education from Non-Bridgepoint Education institutions through participation in the External Tuition Reimbursement Program, is offered to employees to benefit their educational advancement and return this benefit to the Company.

Employees who are reimbursed for education expenses through

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the External Tuition Reimbursement Program are expected to remain at Bridgepoint Education, Inc following the completion of his or her course work according to the following schedule:

Certificate and Bachelor Degree Programs.....	One (1) Year
Master's Degree Programs... ..	Two (2) Year
Doctoral Degree Programs.....	Three (3) Years

Section 7



Time Off

For purposes of this section, vacation hours are based on the employee's anniversary date. All adjustments in accrual occur on the employee's anniversary of his/her most recent date of hire.

All regular (not temporary), full time employees are eligible to earn paid vacation time. The schedule for accruing vacation time is as follows:

0 to three years of employment	10 days (6.14 hours per month, 80 hours annually)
Third anniversary to fifth year anniversary	15 days (9.20 hours per month, 120 hours annually)
After fifth anniversary	20 days (12.30 hours per month, 160 hours annually)

Associate Directors and above will accrue fifteen (15) days per year and after three years of service will accrue twenty (20) days per year.

Employees do not accrue vacation time during a leave of absence.

Employees are encouraged to use all earned vacation each year. The maximum vacation benefit an employee may accrue is two (2) times the annual accrual. If the vacation balance reaches the maximum, the employee will not accrue any additional vacation hours until the employee uses vacation days and the accrued vacation time falls below the cap. Once the employee uses enough vacation to bring the accrual balance below the cap, the employee will resume accruing vacation benefits. No vacation benefits will be earned during the period when an employee's benefits are at the maximum accrued level.

Accrued vacation that has not been used will be paid at the time of resignation or termination, subject to the recoupment of any advances on vacation that may be outstanding. Vacation is paid at the employee's final rate of pay at the time of separation.

Employees who have exhausted sick time must apply vacation time to absences, unless the law or this handbook states otherwise.

At management's discretion, employees may be scheduled to take vacation during periods when business is slow. Any balance of vacation time earned may be taken during the remainder of the year.

Employees who have not completed sixty (60) days of employment with the Company are not eligible to use vacation.

Vacations that are five (5) days or longer must be scheduled at least thirty (30) days in advance and approved by the employee's supervisor. Vacations that are less than five (5) days require at least three (3) days notice and supervisor approval.

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7.2 Gifting of Vacation Policy

Gifting of vacation hours is allowable under approved circumstances through Human Resources. This policy provides our employees the opportunity to assist another employee who is on an approved Leave of Absence due to a personal, serious illness or injury or caring for an immediate family member who has a serious illness or injury. Also, the recipient must have exhausted all Sick and Vacation time to be eligible.

Specifically, this policy allows multiple employees to donate a minimum of two (2) hours and a maximum of two hundred eighty (280) hours to an employee in a twelve (12) month calendar year. Donations must be made in full one (1) hour increments (i.e.: 4 hours, 5 hours, 6 hours, etc.) to a combined maximum of seven (7) weeks or two hundred eighty (280) hours of accrued vacation time to an employee when the receiving employee needs time off that is not otherwise covered by any existing time benefits. Only previous accrued vacation time may be donated. Donations must be made in the form of time off work and cannot be “cashed out” for the equivalent dollar value of that time off. By signing and submitting a Donation Form you are approving Payroll to remove the time from your vacation balance.

The donating employee must keep at least forty (40) hours of vacation time in their leave bank (i.e. if the donating employee has eighty (80) hours of accrued vacation time available, the maximum amount that employee can donate is forty (40) hours leaving them with a balance of forty (40) hours).

This applies to all full-time and part-time employees for Bridgepoint Education companies.

Donated vacation time may be received from multiple donors. There is no guarantee the full request will be filled as the hours received is directly based on the number of hours donated.

Donated vacation time will be transferred on a dollar to dollar calculation rather than hour-to-hour based on current rate of pay at the time of transfer. (For example: the employee donating gives 4 hours, which is multiplied by their hourly rate of \$10.00/hr for a donation equivalent of \$40. The receiving employee’s hourly rate is \$8.00/hr. the donation equivalent of \$40 is divided by the receiving employee’s hourly rate. They receive 5 hours of vacation time because of the dollar-to-dollar conversion.)

Time off donations may cross all departmental boundaries within the organization.

Donated time cannot be used retroactively (i.e.: for pay periods prior to receiving the donation).

Employees are not allowed to go into a negative vacation balance.

Donations returned must be in the same proportion as the amount of leave originally donated by the leave donor to the total amount of leave donated.

Donated time off cannot be cashed out.

The recipient and the donating employee will be notified via email by Benefits if they have not met the Leave of Absence criteria and do not qualify for the Gifting of Vacation donated time.

Any hours/dollars paid to a recipient constitute gross wages subject to federal, state, local income tax withholding and Social Security (FICA), Medicare and FUTA taxation.

The Donation Process

The employee donating hours must submit a Donation Request Form to initiate the vacation donation process. Once authorized by the donating employee, the Payroll Representative will communicate appropriately with the recipient employee, supervisor and/or Manager.

The need for donations can be formally communicated by the Supervisor/Manager if the receiving employee approves it. If the receiving employee does not approve a formal communication, it will be up to the receiving employee to solicit donations. These two options are in place to protect the privacy of the employee. Please contact HR/Benefits or Employee Relations for any questions.

Donating employees will need to complete a Donating Vacation Time Request Form. The request form must be signed before a donation can be accepted for an employee.

Donated vacation time will be reported on the receiving employee’s pay statement and will appear as Vacation Gift. To obtain a copy of the pay statement, employees’ can log into Employee Self Service at <https://portal.adp.com>.

The donated time must be used for the employee’s need to be away from work for the care of their own or an immediate family member’s serious illness or injury. The donating employee will submit the Donating Vacation Time Request Form to be used as soon as it is received so that the employee can receive the financial benefits in the next available payroll period. If the employee’s need for time off is in the future or intermittent, the Supervisor/Manager will work with the employee to be sure the time is submitted appropriately.

Receiving employees will be paid for unused donated vacation time upon separation.

Employees who donate vacation days have forfeited any and all rights related to those vacation days.

Please contact the Payroll Department for further guidance at payroll@bpiedu.com.

7.3 Sick Leave

There may be times when illness or injury may prevent you from working. Due to this, each regular full-time employee will be granted forty (40) hours of paid sick leave annually (annually is defined by most recent date of hire). Regular part-time and

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temporary employees do not receive sick leave. Sick leave is provided only in cases of a legitimate illness or accident.

- Sick leave is a benefit, not an entitlement, and should be used only if necessary.
- Sick leave is not available for use until after the first sixty (60) days of employment.
- Sick leave may be used to care for the employee's child, parent, spouse or domestic partner with an illness. For purposes of this policy, the term "child" means a biological, foster or adopted child, a step child, a legal ward, or a child of a person standing in loco parentis.
- Non-exempt employees: sick leave used shall be recorded in hourly increments. Exempt Employees: sick leave used shall be recorded in one (1)-day increments only or in increments not less than that portion of a day during which employee on less than full-time pay status is normally scheduled to work.
- Sick leave may not be used for personal days or to extend vacations.
- Sick time shall not accrue during any unpaid leave of absence.
- Time off for a sick leave does not count as hours worked for purposes of calculating overtime.
- Unused sick days will not be carried over or paid out upon employment termination.
- Employees who have exhausted sick time must apply vacation time to absences, unless the law or this handbook states otherwise.

The Company reserves the right to request verification from a licensed health care provider for any absence due to illness or injury. When such request is made, submission of satisfactory proof of illness or injury will be a condition of eligibility for sick leave benefits. Disciplinary action, up to and including termination from employment, may be taken if satisfactory verification is not received when requested, even if the employee can later prove that he or she was absent due to injury or illness.

7.4 Company Holidays

All employees shall be paid for the following Company Holidays. Part Time regular employees are eligible to be paid up to four (4) hours (except Student employees in accordance with Title IV requirements):

New Year's Day
Martin Luther King, Jr.
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day and the following Friday
Christmas Eve
Christmas Day

If any of the above holidays fall within an employee's pre-approved vacation period the employee shall be paid for the holiday, and it shall not be charged against vacation time. If an

employee uses unscheduled sick time the business day before or the business day after the holiday, the employee is not entitled to holiday pay and the holiday shall be charged against the employee's sick time.

Holidays falling on Saturday will usually be observed on the preceding Friday. Holidays falling on a Sunday will usually be observed on the following Monday.

For employees who work a Tuesday through Saturday schedule, holidays falling on a Sunday will be observed on Tuesday.

Any non-exempt full-time employee required to work on a Company-recognized holiday may, at the Company's discretion, be given another day off within a thirty (30) day period, either before or after the recognized holiday, or (if non-exempt) be paid time and one-half in addition to the regular holiday pay.

7.5 Bereavement Leave

Approval will be granted to an employee for a leave with pay for up to three (3) work days to attend a funeral or memorial service for members of the employee's immediate family. If time is needed for a death other than an immediate family member, an employee may take time off, with supervisor approval, either unpaid or by using vacation or sick hours.

Immediate Family Defined

Husband	Grandparent
Wife	Grandchildren
Domestic Partner	Mother-in-Law
(step/adoptive) Mother	Father-in-Law
(step/adoptive) Father	Brother-in-Law
(step/adoptive) Brother	Sister-in-Law
(step/adoptive) Sister	Daughter-in-Law
(step/adoptive) Child	Son-in-Law

7.6 Personal Leave/Hardship

Leave of absence for hardship reasons are normally difficult to accommodate without seriously affecting the operation of the Company. For this reason, most leaves are not granted except those required by law.

7.7 Voting Leave

The Company encourages its employees to be engaged in the civic duty of voting in local, state and national elections. If an employee does not have sufficient time outside of working hours to vote at a statewide election, the employee shall be

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allowed up to two (2) hours time off with pay for purposes of voting or registering to vote. This time off must be approved by the employee's supervisor at least one (1) day prior to the day of the election and taken at a time mutually agreed upon by the supervisor and employee.

7.8 Religious Observance

Employees shall be allowed reasonable time off on special days observed by their religious faith. Time taken shall be charged against the employee's vacation accrual. If the employee has no accrued vacation time, then the time away from work will be without pay.

7.9 Jury Duty/Material Witness

Any employee subpoenaed for jury duty will be granted the necessary leave of absence. Faculty members are reminded that Bridgepoint Education requests that you seek a deferment until your course is completed if subpoenaed for jury duty. An employee subpoenaed for jury duty must immediately notify her/his supervisor. The Company requires that employees immediately return to work after being released from jury duty.

The employer will pay for a maximum of three (3) days of jury duty, provided the employee provides her/his supervisor with a statement signed and stamped by the clerk of the court which details the days that jury duty service was required. Any days of jury service beyond three (3) days will be unpaid.

Any employee who is subpoenaed to appear as a witness shall receive the time off without pay. The employee may use vacation time to serve as a witness. If the employee has no accrued vacation time, the time off is without pay.

7.10 Organ and Bone Marrow Donors

Employees shall be permitted to take up to thirty (30) days of paid leave for organ donations and up to five (5) days of paid leave for bone marrow donations. This leave does not run concurrently with any leave taken pursuant to the Family and Medical Leave Act (FMLA) or the California Family Rights Act (CFRA).

No employee shall be subjected to retaliation for utilization of their right to leave for organ donations or bone marrow donations.

7.11 Family and Medical Leave/Military Leave

The Federal government enacted the Family and Medical Leave Act (FMLA) in 1993. The FMLA requires employers to provide unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Many states have enacted legislation similar to the FMLA. Bridgepoint Education, Inc. and its subsidiary companies, in compliance with the FMLA and state laws, provide employees with leaves of absence for family and medical reasons. The guidelines below explain the procedures that

should be followed before, during, and after FMLA leave. Employees with any questions about leave eligibility or state-specific leave options should contact Human Resources.

Eligibility and Reasons for Leave

Any employee who has been employed at least twelve (12) months with Bridgepoint Education, Inc. or its subsidiary companies and who has worked more than 1,250 hours in the preceding twelve (12) months is eligible for leave under the FMLA if the leave is for one of the following reasons:

- The birth of a child and to care for that child;
- The placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, or parent with a serious health condition;
- Because of the employee's own serious health condition if he/she is unable to perform the essential functions of the job;
- A qualifying contingency arising out of a spouse's, parent's or child's call or impending call to covered active duty in the Armed Forces (qualifying exigency leave); or
- To care for a seriously ill or injured service member if the employee is a spouse, parent, child, or next of kin of that service member (military caregiver leave).

In addition, in those states that recognize same-sex marriages, civil unions or domestic partnerships, Bridgepoint will grant FMLA leave to care for a same-sex spouse or domestic partner in the event of a serious health condition.

Timing and Amount of Leave

The maximum amount of combined FMLA leave, with the exception of military caregiver leave, available to eligible employees is twelve (12) workweeks during a twelve (12) month period known as the "Standard Leave Year." The Standard Leave Year will be tracked as a rolling twelve (12) month period measured backward from the first day an employee uses leave. There is no carryover of unused leave from one twelve (12) month period to another twelve (12) month period.

The maximum amount of combined FMLA leave, including military caregiver leave, available to eligible employees is twenty-six (26) workweeks in a "Military Caregiver Leave Year." The Military Caregiver Leave Year is a single, twelve (12) month period that begins on the first day of the military caregiver leave. The Military Caregiver Leave Year is not the same and does not run concurrently with the Standard Leave Year. During the Military Caregiver Leave Year, an employee may take no more than twelve (12) workweeks of leave for the employee's own or a family member's serious health condition, a birth/adoption/foster care placement, or a qualifying exigency. The balance of the twenty-six (26) workweeks is available for military caregiver leave.

If a husband and wife both work for either Bridgepoint Education, Inc. or a subsidiary Company/University, the leave in any Standard Leave Year for both individuals will be limited to a combined total of twelve (12) workweeks if the leave is taken to care for a child after birth, adoption, or foster placement. Husband

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and Wife are limited to a combined total of twenty-six (26) workweeks of leave during the Military Caregiver Leave Year to care for a covered service member and/or to care for a child after birth, adoption, or foster placement.

If an employee is not able to return to work at the conclusion of the twelve (12) week leave period provided by FMLA, the employee may request an additional unpaid personal leave of absence. Written certification of the medical need for such additional leave of absence will be required by the Company. Such requests for additional personal leaves of absence will be considered on a case-by-case basis taking into consideration such factors as the employee's position and job responsibilities, the Company's business needs, the employee's particular medical circumstances, the period of anticipated leave, etc. Any additional personal leaves of absence granted will not be considered protected leave under FMLA, meaning that the employee is not guaranteed reinstatement to his or her prior position or an equivalent position.

For the purpose of calculating the leave period, any other qualifying disability leave, occupational disability leave, or family/medical leave taken during the leave period (such as leave pursuant to state law) will be included. This means that the leaves will run concurrently with each other.

If the leave is for the care of a child after birth or adoption, the employee must complete the leave within one (1) year of the birth or adoption.

Leave may be taken intermittently or on a reduced schedule if the leave is for the serious health condition of the employee, the employee's child, parent or spouse, or to care for a covered service member with a serious injury or illness, and the leave schedule is medically necessary as determined by the relevant health care provider of the person with the serious health condition or serious injury or illness. Employees may also take leave intermittently or on a reduced schedule for a qualifying exigency.

When intermittent or reduced schedule leave is taken (except in the case of a qualifying exigency) and when the need for this leave is foreseeable, the employee may be transferred to a position that is better suited to intermittent and reduced schedule absences, depending on the needs of the Company.

The employee must consult with his or her supervisor or Human Resources regarding the scheduling of any planned medical treatment so as to minimize disruption to the workplace. Any such scheduling is subject to the approval of the health care provider of the employee or the health care provider of the employee's relative.

Employee Notice

If the need for the FMLA leave is foreseeable (except in cases of a qualifying exigency), the employee must provide at least thirty (30) days advance notice on a form to be supplied by the Human Resources office. If thirty (30) days notice is not possible or if the leave is for a qualifying exigency, notice must be given as soon as

practicable, usually the same day or next business day after learning of the need for leave.

Certification

Employees requesting FMLA leave must provide certification on the form provided by the Company. Certification for medical leave must usually be completed by the appropriate health care provider. Certification will include a verification of the need for such leave and its beginning and expected ending dates. Failure to provide timely, completed certification (i.e. fifteen (15) days after requested) may result in delay or denial of the leave.

The Company may ask the employee for re-certification for certain types of leave at reasonable intervals, but no more than every thirty (30) days, unless: (1) the employee requests an extension of the leave, (2) the circumstances described in the original certification have changed significantly, or (3) the Company learns of information that casts doubt on the continuing validity of the original certification. The Company will not ask for re-certification for qualifying exigency leave or for military caregiver leave.

If the Company has reason to doubt the validity of a medical certification, it may ask the employee to obtain the opinion of a second health care provider, chosen by the Company and at the Company's expense, concerning any information contained in the certification. If the second opinion conflicts with the original certification, the Company may require, at its expense, that the employee obtain the opinion of a jointly-approved third health care provider. The opinion of the third health care provider will be final and binding. The Company will not ask for a second opinion for military caregiver leave.

Benefits and Pay during Leave

An employee taking FMLA leave will be allowed to continue participating in any health benefit plan in which he/she was enrolled before the first day of the leave for a maximum of 12 workweeks (or 26 workweeks if the leave is to care for a covered servicemember) at the level and under the same conditions as if the employee continued to work, as long as the employee continues to make timely payments for their portion of the insurance. The Company will continue its normal contribution toward an employee's insurance premium during an employee's FMLA leave period for a maximum of 12 workweeks (or 26 workweeks if the leave is to care for a covered servicemember). Any insurance payments the employee is responsible for must be made to the Benefits Department by the first day of each month in which a premium is due. The employee has a thirty (30) day grace period in which to make premium payments. The employee's group health benefits will be canceled if the employee's timely payment is not made provided the Company notifies the employee in writing at least fifteen (15) days before the date that the health coverage will lapse. If an employee elects to not return to work after the expiration of FMLA leave, the employee may be required to reimburse the Company for all health insurance premiums paid by the Company during the leave.

FMLA leave is unpaid. Employees must utilize any accrued sick leave (if the leave is for the employee's own serious health condition) and any accrued vacation during the FMLA leave

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during otherwise unpaid periods of leave. While utilizing vacation and/or sick leave benefits, the leave will also be considered protected leave and will count against the employee's FMLA entitlement.

Employees will not continue to accrue vacation and sick leave while on an unpaid leave of absence. Accruals will resume upon return to active employment. If an employee utilizes unused vacation or sick leave to cover the leave of absence, vacation and sick benefits will continue to accrue during the paid leave period.

Outside Employment

Employees may not be employed with any employer, other than the Company, during the leave of absence. Outside employment during the leave will result in immediate termination.

Return to Work

Under most circumstances, an employee will be reinstated to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if an employee on FMLA leave would have been laid off had he/she not gone on leave, or if the employee's job has been eliminated during the leave, then the employee would not be entitled to reinstatement.

If an employee and the Company have agreed upon a definite date of return to work, that employee will be reinstated on that date. Before returning to work after a leave taken for the employee's own serious health condition, the employee is required to provide a health care provider's certificate stating that the employee is able to safely perform the essential functions of the employee's position, with or without accommodation.

Any questions about the rights and responsibilities for both employees and the Company should be directed to the Human Resources office.

Bridgepoint Education and its subsidiaries will not retaliate against any employee for requesting or taking a leave pursuant to this policy.

Supplemental Medical/Military Leave for California Employees

This policy is a supplement for California employees to the Family and Medical Leave/Military Leave policy in the Handbook.

In California, employees are also eligible for twelve weeks of unpaid family medical leave within a 12-month period under the California Family Rights Act (CFRA) provided the employee has been employed by the Company:

- For at least 12 months;
- For at least 1,250 hours during the 12-month period preceding the commencement of leave; and
- At a worksite with 50 or more employees within 75 miles of the worksite.

In addition to the qualifying reasons for taking leave already provided under the FMLA and set forth in the Family and Medical Leave policy, the CFRA provides that leave may be taken for one or more of the following reasons:

- The birth of the employee's child, or placement of a child with the employee for adoption or foster care;
- To care for the employee's spouse, child, or parent who has a serious health condition;
- To care for the employee's registered domestic partner;
- For a serious health condition that makes the employee unable to perform his or her job.

The same rules as set forth in the Family and Medical Leave policy in the Handbook apply to such leaves. Under most circumstances, leave under federal and state law will run at the same time and the eligible employee will be entitled to a total of 12 weeks of family and medical leave in the designated 12-month period.

Leave because of the employee's disability for pregnancy, childbirth or related medical condition is not counted as time used under the CFRA. However, time off because of pregnancy disability, childbirth or related medical condition does count as family and medical leave under the FMLA. Employees who take time off for pregnancy disability and who are eligible for family and medical leave will also be placed on family and medical leave that runs at the same time as their pregnancy disability leave. Once the pregnant employee is no longer disabled, or once the employee has exhausted pregnancy disability leave and has given birth she may apply for leave under the CFRA, for purposes of baby bonding.

Any leave taken for the birth, adoption, or foster care placement of a child does not have to be taken in one continuous period of time under the CFRA. CFRA leave taken for the birth or placement of a child will be granted in minimum amounts of two weeks. However, the Company will grant a request for a CFRA leave (for birth/placement of a child) of less than two weeks' duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

Pregnancy Disability Leave for California Employees

In California, female employees may be entitled to pregnancy disability leave ("PDL") Any female employee planning to take pregnancy disability leave should advise the Human Resources department as early as possible. The individual should make an appointment with the Human Resources manager to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months. Part-time employees are entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the

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employee's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care.

- The Company will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy.
- Employees who need to take pregnancy disability must inform the Company when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation, or transfer is foreseeable, employees must provide reasonable advance notice at least 30 days before the pregnancy disability leave or transfer is to begin. Employees must consult with the Human Resources office regarding the scheduling of any planned medical treatment in order to minimize disruption to the operations of the Company. If 30 days advance notice is not possible, notice must be given as soon as practical;
- Failure to give reasonable advance notice may result in delay of leave, reasonable accommodation, or transfer;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide the Company with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned within 15 calendar days. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. The certification indicating the need for disability leave should contain:
 - o A statement that the employee needs to take pregnancy disability leave because she is disabled by pregnancy, childbirth or related medical condition;
 - o The date on which the employee became disabled due to pregnancy;
 - o The probable duration of the period or periods of disability; and
 - o If the employee needs a reasonable accommodation or transfer, a medical certification is sufficient if it contains all of the following: a description of the requested reasonable accommodation or transfer; a statement that describes the medical advisability of the reasonable accommodation or transfer because of pregnancy; and the date on which the need for reasonable accommodation or transfer became/will become medically advisable and the estimated duration of the reasonable accommodation or transfer.
- Leave returns will be allowed only when the employee's physician sends a release; and
- An employee will be required to use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued vacation or personal time (if otherwise eligible to take the time) during a pregnancy disability leave.

Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of fifteen minutes.

If intermittent leave or leave on a reduced work schedule is medically advisable the employee may, in some instances, be required to transfer temporarily to an available alternative position that meets the employee's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee's leave requirements than her regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

Upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Employees on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of four months of disability leave (if such insurance was provided before the leave was taken) at the level and under the conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave.

In some instances, an employer can recover from an employee premiums paid to maintain health coverage if the employee fails to return following pregnancy disability leave.

PDL may impact other benefits or a seniority date. Please contact the Human Resources department for more information.

Pregnancy Disability Leave for Iowa Employees

In Iowa, female employees are entitled to pregnancy disability leave. Employees are provided unpaid leave during the period the employee is disabled because of pregnancy, childbirth, or related medical condition for up to 8 weeks per pregnancy. If a leave is covered by both FMLA and the Iowa Pregnancy Disability Leave Law, the leaves run concurrently. Any female employee planning to take pregnancy disability leave should advise the Human Resources department as early as possible.

Bridgepoint requires that medical certification of the employee's pregnancy disability be submitted to support the leave.

To the extent health insurance coverages is provided for employees on a leave of absence for other temporary disabilities, Bridgepoint will provide health insurance coverage to employees on pregnancy disability leave.

In addition, if a reasonable accommodation is necessary to allow a pregnant employee to perform the major functions of her position,

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Bridgepoint will do so to the extent it does not impose an undue hardship. Any such request must be made to the Human Resources department.

7.12 Medical Leave (Non FMLA)

Any employee who has been employed less than twelve (12) months with Bridgepoint Education, Inc. or its subsidiaries or who has worked less than 1250 hours in the preceding twelve (12) months is not eligible for leave under the FMLA. Non-FMLA eligible employees or employees who have exhausted their FMLA or similar state law protected leave entitlement may request an unpaid personal leave of absence if the request is due to:

- the employee's own serious health condition making him/her unable to perform the essential functions of the job or;
- To care for a spouse, child, or parent with a serious health condition.

Such requests for personal leaves of absence will be considered on a case-by-case basis taking into consideration such factors as the employee's position and job responsibilities, the Company's business needs, the employee's particular medical circumstances, the period of anticipated leave, etc.

Certification

Employees requesting a non-FMLA Medical leave must provide certification in the form provided by the Company. Certification for medical leave must usually be completed by the appropriate health care provider. Certification will include a verification of the need for such leave and its beginning and expected ending dates. Failure to provide timely, completed certification within fifteen (15) days of the request for the leave may result in delay or denial of the leave.

If the Company has reason to doubt the validity of a medical certification, it may ask the employee to obtain the opinion of a second health care provider, chosen by the Company and at the Company's expense, concerning any information contained in the certification. If the second opinion conflicts with the original certification, the Company may require, at its expense, that the employee obtain the opinion of a jointly-approved third health care provider. The opinion of the third health care provider will be final and binding.

Benefits and Pay during Leave

An employee's health benefits will be maintained during a non-FMLA Medical leave (unless otherwise provided in the Handbook or required by law) under the same condition as if the employee continued to work for a period of four (4) weeks only. After the four (4) weeks, the employee is responsible for payment of his/her entire health benefits premium either through the exercise of COBRA rights or otherwise. The Company will not continue to contribute toward an employee's insurance premium after four (4) weeks of employees non-FMLA Medical leave (unless otherwise provided in the Handbook or required by law).

Non-FMLA Medical leave is unpaid. However, employees are required to use any accrued sick leave. Employees will also be required to use accrued vacation once their sick leave balance is

exhausted. Once all applicable leave balances have been exhausted, the employee will be on unpaid leave. Employee will not accrue vacation and sick time while in unpaid status during a medical leave. Accruals will resume upon the return to active employment.

Outside Employment

Employees may not be employed with any employer, other than the Company, during the leave of absence. Outside employment during the leave will result in immediate termination.

Return to Work

Before returning to work after a medical leave taken for the employee's own serious health condition, the employee is required to provide a health care provider's certificate stating that the employee is able to safely perform the essential functions of the employee's position, with or without accommodation.

If an employee and the Company have agreed upon a definite date of return to work, that employee will be reinstated on that date.

A non-FMLA Medical leave is not a protected leave under FMLA and does not guarantee reinstatement to the employee's prior position or an equivalent position.

7.13 Domestic Violence/Sexual Assault Leave for California Employees

California employees who are victims of domestic violence, sexual assault or stalking are eligible for unpaid leave. You may request leave if you are involved in a judicial action, such as obtaining restraining orders, or appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child. You may also request unpaid leave for any of the following:

- To seek medical attention for injuries caused by domestic violence or sexual assault;
- To obtain services from a domestic violence shelter, program or rape crisis center as a result of domestic violence or sexual assault;
- To obtain psychological counseling related to experiencing domestic violence or sexual assault;
- To participate in safety planning and take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.

You should provide notice and certification of your need to take leave under this policy. Certification may be sufficiently provided by any of the following:

- A police report indicating that the employee was a victim of domestic violence or sexual assault;
- A court order protecting or separating the employee from the perpetrator of an act of domestic violence or sexual assault, or other evidence from the court or prosecuting attorney that the employee appeared in court; or
- Documentation from a medical professional, domestic violence or sexual assault victim advocate, health-care provider,

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or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence or sexual assault.

The Company will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision. The Company will not retaliate against an employee because of his/her status as a victim of domestic violence, sexual assault or stalking. In addition, the Company will reasonably accommodate victims of domestic violence, sexual assault or stalking who request an accommodation for the safety of the victim while at work provided such accommodation does not impose an undue hardship.

7.14 Victims of Crime Leave for California Employees

A California employee who is themselves a victim or who is the family member of a victim of a violent felony or serious felony may take time off from work under the following circumstances:

- The crime must be a violent or serious felony, as defined by law; and
- You must be the victim of a crime, or you must be an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim.

An immediate family member is defined as: a spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father or stepfather.

A registered domestic partner means a domestic partner who is registered in accordance with California state law.

The absence from work must be in order to attend judicial proceedings related to a crime listed above or to appear in court to be heard at any proceeding, including post-arrest release decision, plea, sentencing, post-conviction release decision, or any proceeding in which a right of the victim is at issue.

Before you are absent for such a reason, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office or a victim/witness office.

If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take paid time off, such as accrued vacation or sick leave.

7.15 Paid Family Leave for California Employees

California employees may be eligible for Paid Family Leave (PFL) wage replacement benefits, which are funded through payroll deductions and coordinated through the California

Employment Development Department. PFL provides limited compensation to California employees for up to six weeks after an unpaid, seven-day waiting period when an employee needs to take leave from work to care for a parent, child, spouse, registered domestic partner, sibling, grandparent, or parent-in-law who is seriously ill, or for a working parent who wants time to bond with his or her newborn, foster child or newly adopted child. The PFL program does not provide employees with a right to a leave of absence; it is limited to a California state-mandated wage replacement benefit.

7.16 Military Spouse Leave for California Employees

California employees who work more than 20 hours per week and have a spouse in the Armed Forces, National Guard or Reserves who have been deployed during a period of military conflict are eligible for up to 10 unpaid days off when their spouse is on leave from (not returning from) military deployment.

Employees must request this leave in writing to the Human Resources department within two business days of receiving official notice that their spouse will be on leave. Employees requesting this leave are required to attach to the leave request written documentation certifying the spouse will be on leave from deployment.

7.17 School Activities Leave for California Employees

California employees are encouraged to participate in the school activities of their child(ren). The absence is subject to all of the following conditions:

- Parents, guardians, or grandparents having custody of one or more children in kindergarten or grades one to 12 may take time off for a school activity;
- The time off for school activity participation cannot exceed eight hours in any calendar month, or a total of 40 hours each school year;
- Employees planning to take time off for school visitations must provide as much advance notice as possible to their supervisor;
- If both parents are employed by the Company, the first employee to request such leave will receive the time off. The other parent will receive the time off only if the leave is approved by his or her supervisor;
- Employees must use vacation leave in order to receive compensation for this time off;
- Employees who do not have paid time off available will take the time off without pay, and
- Employees must provide their supervisor with documentation from the school verifying that the employee participated in a school activity on the day of the absence for that purpose.

If a California employee who is the parent or guardian of a child facing suspension from school is summoned to the

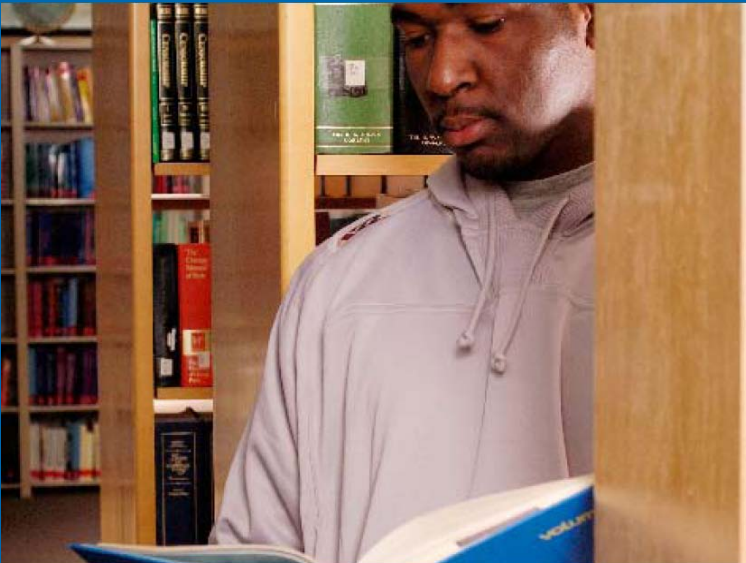
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school to discuss the matter, the employee should alert his or her supervisor as soon as possible before leaving work. No discriminatory action will be taken against an employee who takes time off for this purpose.

7.18 Domestic Abuse Leave for Colorado Employees

Colorado employees may request or take up to three working days of leave from work in any twelve month period, with or without pay, if the employee is the victim of domestic abuse, stalking, sexual assault or any other crime related to domestic abuse.

Section 8



Wage / Salary Policies

8.1 Compensation

Initial salaries for newly hired employees are determined at the discretion of the Company. The Company's decisions on compensation rest solely at the discretion of the Company. Salaries for existing employees are reviewed by the Company at least annually. Adjustments are made at the discretion of the Company based upon a variety of factors including, but not limited to, quality of performance, position, duties and responsibilities, experience, education, qualifications, tenure, labor market conditions, and institutional resources. Adjustments in salary must be approved by the Department VP, and/or CEO.

8.2 Recording Time Policy

All non-exempt employees are required to record time worked for payroll purposes. Employees must record their own time at the start and end of each work period, including before and after the lunch break. Recording of time worked is done through the ADP eTime system on each employee's Company issued computer. Any errors in the recording of your time must be reported to your supervisor for review and correction if necessary.

Employee's time is calculated and paid based upon a minute-by-minute calculation with an additional five minutes added each day to compensate for any delay in logging into the payroll time system.

Both Managers and Employees must ensure accurate and complete timecards before the pay period ends. This includes ensuring that all requests for sick, vacation, etc. and all time record errors have been resolved. The expectations for ensuring the accuracy of recorded time are below:

Employees:

- It is your responsibility to email your manager with any timecard corrections or requests for sick, vacation, etc. at the time they occur. Any missed punches must be reported to your manager immediately.

Managers:

- All timecards must be corrected and approved before the pay period ends.
- For employees expected to work hours **after** 5PM on Friday evening, those hours should be entered prior to the end of the day on Friday. Any changes to the hours worked must then be adjusted Monday morning if there are any discrepancies between what was entered and actual time worked.
- Any employee with an incomplete timecard or a missing punch, before you approve, please be sure to follow up with him/her to ensure that any missed punches are corrected.
- If you will be out of the office or otherwise unavailable, you must assign a proxy approver to approve timecards on your behalf. Proxy requests should be sent to payroll at payroll@bpiedu.com.

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Failure to fulfill these responsibilities related to time recording and approval can result in disciplinary action up to and including termination.

Any employee who believes that either their time records or pay stubs are inaccurate must promptly report their concern to the company, along with any supporting facts or documentation. Please use the form located at [Report Regarding Time Records or Pay Stub Inaccuracies Form](#) for reporting your concerns.

The form should be submitted to payroll at payroll@bridgepointeducation.com.

8.3 Workweek

The company's standard workweek begins 12:01 a.m. on Monday and ends at 12:00 a.m., midnight, the following Sunday. The standard workday begins at 12:01 a.m. and ends at midnight on the same day. Each workday and workweek stands alone for overtime calculations. Averaging hours over two (2) or more workdays or workweeks is not permitted. Payment of all wages and calculations of overtime are based upon the Company's aforementioned workweek. Work schedules are also established within this framework. Each employee's immediate supervisor will advise the employee regarding his/her specific working hours. Various factors, such as workloads, operational efficiency, and staffing needs, may require variations in an employee's start and end time and total hours worked each week. The Company reserves the right to revise work schedules as needed to accommodate business and professional goals. Employees are expected to complete the scheduled hours of work assigned to them, and to be punctual and consistent in attendance, as a condition of employment.

All full-time employees are required to work at least forty (40) hours per work week as well as such additional hours as may be reasonable and necessary to the fulfillment of his/her duties and responsibilities. All full-time employees are expected to perform their regular services between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, unless another schedule has been approved in advance by their supervisor or is required as a condition of their position.

Non-exempt employees are not to work overtime hours unless such time has the prior written approval of their supervisor. Failure to obtain approval before working overtime hours may subject an employee to discipline, up to and including termination. Overtime compensation will be paid in accordance with all state and federal laws. Time off for any reason, such as vacation, holidays, or sickness, is not considered hours worked for overtime purposes.

Part-time employees shall be required to work a prorated forty (40) hours per work week, which is equivalent to the percentage of one full-time equivalent, which has been assigned to their position. For example, a half-time fifty percent (.50%) time employee is required to work at least twenty (20) hours per work week. In addition, part-time employees are required to work a reasonable number of additional hours if necessary for the

completion of their job duties and responsibilities. Such additional time shall not increase employees' salary entitlement nor, without prior written approval of their supervisor, does additional time entitle employees to any of the benefits reserved solely for full-time employees. The schedule of work hours of part-time employees shall be subject to regulation by the employees' supervisor.

8.4 Overtime Wages

Non-exempt employees may be required to work overtime from time to time. Non-exempt employees shall be paid overtime in accordance with state and federal law. Overtime must be approved in advance by the employee's supervisor. Although the Company will pay for all hours worked, employees are subject to disciplinary action, up to and including termination of employment, for working unauthorized overtime hours. Non-exempt employees shall record all time the employee actually worked on their time card.

Overtime is based upon hours worked. Hours worked shall typically include the following:

- attendance at required meetings or training programs;
- travel as part of the employee's principal work activities for the Company if it is conducted during regularly scheduled or pre-authorized work periods;
- fire and disaster drills conducted by the Company;
- civic and charitable work if required by the Company;
- work performed at home (keeping in mind that all such work must be pre-approved); and
- time spent waiting for and receiving medical attention on or off University/Company premises if during regularly scheduled or pre-approved work hours and related to injuries suffered in the course and scope of employment.

It is not possible to provide an exhaustive list of activities that do not include hours worked. Some examples of activities that do not include hours worked are:

- vacation time and paid holidays;
- any time spent on leaves of absence, whether compensated or not;
- meal periods, unless the employee is required by the supervisor to eat "on the job";
- travel time to and from work, except in the case of emergency service where the return to work was unscheduled and unpredictable

8.5 California Make-Up Time Policy

A manager may approve a written request of a California employee to make up work time that is or would be lost, as a result of a personal obligation of the employee. The make-up work time must be performed in the same workweek in which the work time was lost. A non-exempt employee may not work more than eleven (11) hours in any day or more than forty (40) hours in a week without overtime pay.

Manager's should review accrued time off balances with the employee before approving a make-up time request. A manager

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must be present while the employee is performing the make-up time.

Employees seeking this option should direct their questions to their immediate supervisor or manager.

8.6 Compensatory Time

Compensatory time off, ("comp time"), in lieu of overtime payment is not permitted for non-exempt employees under any circumstances. A non-exempt employee may not be permitted to work unless the time worked is compensated for in accordance with Industrial Wage Order No. 4-89 for the State of California, which states, California employees shall not be employed more than eight (8) hours in any workday or more than forty (40) hours in any workweek (CA, IA and CO) unless the employee receives one and one-half times such employee's regular rate of pay for all hours over forty (40) in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided that the employee is compensated at not less than: One and one-half times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday, and for the first eight (8) hours worked on the seventh day of work; and double the employee's regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh day of work in any workweek.

8.7 Payroll Distribution

Wages or salary earned by staff employees will be paid by the Company every other Friday over a twelve (12) month period. Pay dates will be specified in writing and displayed on the Intranet by the Company. Payments of wages or salary earned are subject to withholding requirements of local, state, and federal governments and withholding deductions authorized by employees for programs for which the Company has authorized a payroll deduction plan.

All Employee Self Service Portal and Payroll related questions, corrections, issues, etc. must be directed to the Employee Service Center. The Employee Service Center is a helpful resource for employees to receive quick and efficient service. The Employee Service Center can be reached by phone at 855-729-2687 [855-PAY CNTR], or by fax at 925-598-9004. Employee Service Center hours are Monday-Friday, 8:00am to 6:00pm Central Time (6:00am to 4:00pm Pacific Time).

8.8 Pay Advance Policy

Payroll Advance

Payroll advances are not granted by the company.

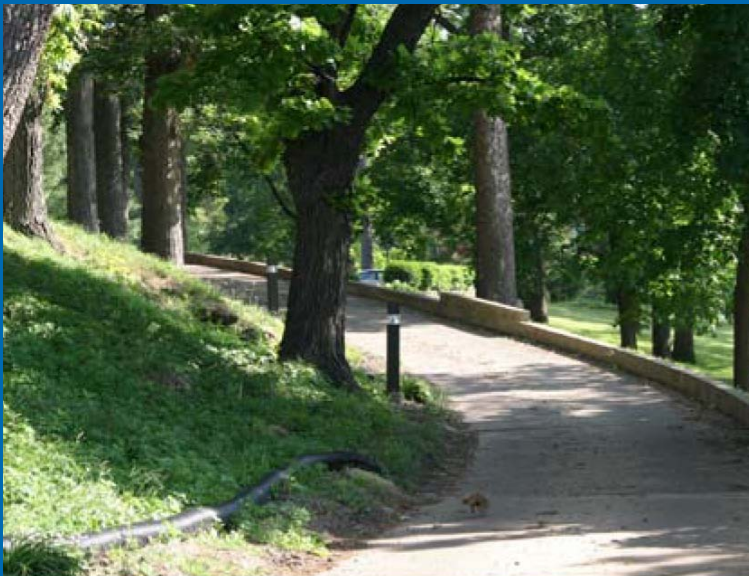
Off-Cycle Paychecks

Timecards received after the cutoff date listed on the Payroll Schedule will be processed however may be delayed.

Off-cycle (unscheduled) paychecks processed on dates other than those listed on the Payroll Schedules will be processed under the following conditions:

- If payroll makes an error in processing the check.
- If an employee has terminated and meets the state regulatory requirements.
- The employee has submitted all paperwork and timecard information to payroll.
- If paperwork and timecard information is turned in late and the employee is having extreme financial hardship issues, the employee should notify payroll.

Payroll related questions, corrections, issues, etc. must be directed to the Employee Service Center. The Employee Service Center is a helpful resource for employees to receive quick and efficient service. The Employee Service Center can be reached by phone at 855-729-2687 [855-PAY CNTR], or by fax at 925-598-9004. Employee Service Center hours are Monday-Friday, 8:00am to 6:00pm Central Time (6:00am to 4:00pm Pacific Time).



Separation

9.1 Process

Situations may arise which can lead to employee separation from the Company. These separations may be voluntary or involuntary. Nothing in this section changes the “at-will” nature of the employment relationship. This section details the policies concerning separation from the Company.

Resignation

Employees that choose to resign and provide a two (2) week notice will receive their final paycheck on their last day of scheduled work unless other arrangements are made by their manager.

Dismissal

All exempt and non-exempt personnel may be discharged with or without cause. If dismissed, a final paycheck will be provided to employee in accordance with the law of the state in which you work (California, Colorado or Iowa).

Reduction in Force

Employees may be laid off at any time due to lack of work, lack of resources, reorganization or similar circumstances where the position is eliminated, reduced or made unnecessary as determined by the discretion of the Company. Employees will be selected for layoff at the discretion of the Company based upon the needs of the Company.

9.2 Vacation Pay at Termination

When an employee resigns or is dismissed from employment, that employee will be paid for all of the vacation time accrued but not yet utilized. Payment for this accrued, unused vacation time will be provided to the employee in her/his final paycheck from the Company.

9.3 Final Payroll Check

California Employees: If you resign employment and provide advance notice of more than seventy two (72) hours, all wages shall be paid to that employee on the last day employed. If an employee resigns, but provides less than seventy two (72) hours advance notice, all wages shall be paid to that employee within seventy two (72) hours of resignation.

If the employee requests in writing that his/her final payment be sent via U.S. mail and designates a mailing address, he/she shall receive final payment by mail. Such final payment shall be mailed within seventy two (72) hours of the notice of resignation. All fully accrued, unused vacation will be paid upon termination of employment.

Iowa Employees: For employees working in our Iowa locations, the separating employee will receive his/her final pay via a final direct deposit on the next scheduled pay date following his/her last day of work. Final checks will not be mailed without prior written consent by the employee.

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Colorado Employees: For employees working in our Colorado locations, the separating employee will receive his/her final paycheck via mail no later than twenty-four (24) hours after the next regular business day.

It is the responsibility of each supervisor to provide the Human Resources office with sufficient notice of pending termination to facilitate processing of the final check in a timely manner.

Termination checks will be made available in the Human Resources office on the last day of employment .