

STRAYER EDUCATION INC

Form DEF 14A

March 28, 2005

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Strayer Education, Inc.

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies: _____

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____

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1) Amount Previously Paid: _____

2) Form, Schedule or Registration Statement No.: _____

3) Filing Party: _____

4) Date Filed: _____

STRAYER EDUCATION, INC.
1100 Wilson Blvd., Suite 2500
Arlington, VA 22209
(703) 247-2500

Dear Fellow Stockholder:

You are cordially invited to attend the 2005 annual meeting of Stockholders of Strayer Education, Inc. (the "Corporation"), to be held at **8:30 a.m. local time on May 3, 2005**, at the Strayer University campus located at 1133 15th Street, N.W., 3rd floor, Room 322, in **Washington, DC**.

At this year's meeting, you will vote on (i) the election of eleven directors, (ii) the ratification of the appointment of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm, (iii) amending the Corporation's Employee Stock Option Plan to authorize 500,000 additional shares for future issuance thereunder, extend the term of the Plan to 2020 and to make certain other clarifying changes, and (iv) any other matters that may properly come before the meeting. We have attached a notice of meeting and a proxy statement that contain more information about these items and the meeting.

Your vote is important. We encourage you to sign and return your proxy before the meeting so that your shares will be represented and voted at the meeting even if you cannot attend in person.

We look forward to seeing you at the 2005 Annual Meeting of Stockholders.

Sincerely,
/s/ ROBERT S. SILBERMAN
ROBERT S. SILBERMAN
Chairman of the Board
and Chief Executive Officer

March 28, 2005

STRAYER EDUCATION, INC.

1100 Wilson Blvd., Suite 2500
Arlington, VA 22209
(703) 247-2500

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The 2005 Annual Meeting of Stockholders of Strayer Education, Inc. (the "Corporation"), will be held at the Strayer University campus located at 1133 15th Street, N.W., 3rd floor, Room 322, in **Washington, DC on May 3, 2005, at**

8:30 a.m. for the following purposes:

1. To elect eleven directors to the Board of Directors to serve for a term of one year or until their respective successors are elected and qualified.
2. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Corporation.
3. To amend the Corporation's Employee Stock Option Plan to authorize 500,000 additional shares for future issuance thereunder, extend the term of the Plan to 2020 and to make certain other clarifying changes.
4. To consider and act upon such other business as may properly come before the meeting.

THIS NOTICE IS BEING SENT TO COMMON STOCKHOLDERS OF RECORD AS OF MARCH 14, 2005. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN THE ENCLOSED STAMPED ENVELOPE.

By Order of the Board of Directors

/s/ Steven A. McArthur

Steven A. McArthur

Secretary

Arlington, VA
March 28, 2005

STRAYER EDUCATION, INC.
1100 Wilson Blvd., Suite 2500
Arlington, VA 22209
(703) 247-2500

PROXY STATEMENT

Annual Meeting of Stockholders
May 3, 2005

This Proxy Statement is furnished on or about March 28, 2005, to holders of the common stock of Strayer Education, Inc. (the "Corporation"), 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, in connection with the solicitation on behalf of the Board of Directors of the Corporation of proxies to be voted at the 2005 Annual Meeting of Stockholders (the "Annual Meeting"). The Annual Meeting will be held at 8:30 a.m. local time on May 3, 2005, at the Strayer University campus located at 1133 15th Street, N.W., 3rd floor, Room 322, in Washington, DC.

The cost of soliciting proxies will be borne by the Corporation. Copies of solicitation material may be furnished to brokers, custodians, nominees and other fiduciaries for forwarding to beneficial owners of shares of the Corporation's common stock, and normal handling charges may be paid for such forwarding service. Solicitation of proxies may be made by the Corporation by mail or by personal interview, telephone and telegraph by officers and other management employees of the Corporation, who will receive no additional compensation for their services. The Corporation has also retained MacKenzie Partners, Inc. to provide proxy solicitation services for a fee of \$5,000 plus reimbursement of its out-of-pocket expenses.

Any stockholders giving a proxy pursuant to this solicitation may revoke it at any time prior to exercise of the proxy by giving notice of such revocation to the Secretary of the Corporation at the Corporation's executive offices at 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, providing a later dated proxy or by attending the meeting and voting in person.

At the close of business on March 14, 2005, there were 14,641,955 shares of the common stock of the Corporation outstanding and entitled to vote at the meeting. **Only common stockholders of record on March 14, 2005 will be entitled to vote at the meeting**, and each share will have one vote.

Voting Information

At the Annual Meeting votes will be counted by written ballot. A majority of the shares entitled to vote will constitute a quorum for purposes of the Annual Meeting. The election of the Board of Directors' nominees for eleven directors will require the affirmative vote of a plurality of the common shares present in person or represented by proxy and entitled to vote in the election of directors. Ratification of the appointment of the Corporation's independent registered public accounting firm and approval of the amendment to the Option Plan, and approval of any other business which may properly come before the Annual Meeting, or any adjournments thereof, will require the affirmative vote of a majority of the common shares present in person or represented by proxy and entitled to vote thereon. Under Maryland law and the Corporation's Articles of Incorporation and By-laws, the aggregate number of votes entitled to be cast by all common stockholders present in person or represented by proxy at the Annual Meeting, whether those stockholders vote "For," "Against" or abstain from voting, will be counted for purposes of determining the minimum number of affirmative votes required for approval of such matters, and the total number of votes cast "For" each of these matters will be counted for purposes of determining whether sufficient affirmative votes have been cast. An abstention from voting on a matter by a common stockholder present in person or represented by proxy at the meeting, other than the election of directors, has the same legal effect as a vote "Against" the matter even though the stockholder or interested parties analyzing the results of the voting may interpret such a vote differently. Broker non-votes will have the effect of reducing the number of shares considered present and entitled to vote on the matter. Abstentions and broker non-votes will have no effect on the election of directors.

A common stockholder may, with respect to the election of directors, (1) vote for the election of all named director nominees, (2) withhold authority to vote for all named director nominees or (3) vote for

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the election of all named director nominees other than any nominee with respect to whom the stockholder withholds authority to vote by so indicating in the appropriate space on the proxy card. A form of proxy card is attached hereto as Exhibit A.

Proxies properly executed and received by the Corporation prior to the meeting and not revoked, will be voted as directed therein on all matters presented at the meeting. In the absence of specific direction from a common stockholder, proxies will be voted for the election of all named director nominees. If a proxy indicates that all or a portion of the shares represented by such proxy are not being voted with respect to a particular proposal, such non-voted shares will not be considered present and entitled to vote on such proposal, although such shares may be considered present and entitled to vote on other proposals and will count for the purpose of determining the presence of a quorum.

PROPOSAL 1

Election of Directors

The Corporation currently has a twelve member Board, all of whom are elected by the Corporation's common stockholders. There is currently one vacancy on the Board, thus eleven nominees are being voted on at the Annual Meeting.

All eleven of the directors which the common stockholders are currently entitled to elect are to be elected at the Annual Meeting. It is intended that the votes represented by the proxies will be cast for the election as directors, for a term of one year or until their successors are chosen and qualified, of the persons listed below. Each of the nominees is currently a director of the Corporation. The following table and text presents information as of the date of this proxy statement concerning persons nominated for election as directors of the Corporation including in each case their current membership on Committees of the Board of Directors, principal occupations or affiliations during the last five years and certain other directorships held.

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Nominees for Common Stock Directors

Name/Title	Age	Board Committees	Elected to Strayer Board	Common Stock	Vested Options ^(a)	Unvested Options
Robert S. Silberman, Chairman & CEO	47	—	2001	6,152	366,667	133,333
Dr. Charlotte F. Beason, Director	57	Nominating/ Governance	1996	3,450	0	0
William E. Brock, Director	74	Nominating/ Governance	2001	0	10,000	0
David A. Coulter,^(b) Director	57	—	2002	0	10,000	0
Gary Gensler, Director	47	Audit	2001	3,000	10,000	0
Robert R. Grusky,^(c) Director	47	Audit	2001	0	0	0
Robert L. Johnson, Director	58	Compensation	2003	5,341	3,333	3,334
Steven B. Klinsky, Director	48	Nominating/ Governance	2001	1,192,120	0	0
Todd A. Milano, Director	52	Compensation	1996	9,106	0	0
G. Thomas Waite, III, Director	53	Audit	1996	3,128	0	0
J. David Wargo,^(c) Director	51	Compensation	2001	0	0	0

- (a) Or will vest within 60 days of the date of this proxy statement.
- (b) Mr. Coulter is presently serving as the Board's Presiding Outside Director.
- (c) Messrs. Grusky and Wargo have an economic interest in the Company as passive limited partners in New Mountain Investments, LP, which is the general partner of New Mountain Partners, LP ("NMP"). NMP is the entity which owns 1,192,120 shares of Company common stock.

Mr. Robert S. Silberman

has been Chairman of the Board since February 2003 and Chief Executive Officer since March 2001. Mr. Silberman was Executive in Residence at New Mountain Capital, LLC from August 2000 to March 2001. From 1995 to 2000, Mr. Silberman served in a variety of senior management positions at CalEnergy Company, Inc., including President and Chief Operating Officer. From 1993 to 1995, Mr. Silberman was Assistant to the Chairman and Chief Executive Officer of International Paper Company. From 1989 to 1993, Mr. Silberman served in several senior positions in the U.S. Department of Defense, including as Assistant Secretary of the Army. Mr. Silberman has been a Director of Strayer since March 2001. He serves on the Board of Directors of Surgis, Inc., Danielson Holding Company, and on the Management Advisory Board of New Mountain Capital, LLC. He also serves on the Board of Visitors of The Johns Hopkins University School of Advanced International Studies. Mr.

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Silberman is a member of the Council on Foreign Relations. Mr. Silberman holds a bachelor's degree in history from Dartmouth College and a master's degree in international policy from the The Johns Hopkins University.

Dr. Charlotte F. Beason

is a consultant in education and health care administration. From 1988 to 1996 she was Director of Health Professions Education Service and the Health Professional Scholarship Program at the Department of Veterans Affairs. From 2000 to 2003, Dr. Beason was Chair and Vice Chair of the Commission on Collegiate Nursing Education (an autonomous agency accrediting baccalaureate and graduate programs in nursing); she is a member of the Accreditation Review Committee of the American Nurses Credentialing Commission. Dr. Beason is a member of the Nominating/Governance Committee of the Board and also a member of the Strayer University Board of Trustees. Dr. Beason holds a bachelor's degree in nursing from Berea College, a master's degree in psychiatric nursing from Boston University and a doctorate in clinical psychology and public practice from Harvard University.

Mr. William E. Brock

founded Intellectual Development Systems, Inc., an education services company in 1996. From 1988 to 1995 Mr. Brock was the founder and Chairman of the Brock Group, a firm specializing in international trade, investment and human resources. From 1985 to 1987, Mr. Brock served in the President's Cabinet as the U.S. Secretary of Labor, and from 1981 to 1985, as the U.S. Trade Representative. Elected Chairman of the Republican National Committee from 1977 to 1981, Mr. Brock previously served as a Member of Congress and, subsequently, as U.S. Senator for the State of Tennessee. Mr. Brock serves as a Counselor and Trustee of the Center for Strategic and International Studies, and as a member of the Board of Directors of On Assignment, Inc., and Health Extra, Inc. Mr. Brock is Chair of the Nominating/Governance Committee of the Board. He holds a bachelor's degree in commerce from Washington and Lee University. Mr. Brock has also received a number of honorary degrees.

Mr. David A. Coulter

has been Vice Chairman of J.P. Morgan Chase & Co. from December 2000 to the present. Mr. Coulter was Vice Chairman of The Chase Manhattan Corporation from July 2000 to December 2000. Prior to joining Chase, for several years Mr. Coulter led the West Coast operations of the Beacon Group, a private investment and strategic advisory firm, and prior to that, Mr. Coulter served as the Chairman and Chief Executive Officer of the BankAmerica Corporation. Mr. Coulter is a member of the Board of Directors of PG&E Corporation. Mr. Coulter is currently serving as the Presiding Outside Director of the Strayer Education, Inc. Board of Directors. Mr. Coulter holds a bachelor's degree in mathematics and economics and a master's degree in industrial administration, both from Carnegie Mellon University.

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Mr. Gary Gensler

served as Under Secretary of the U.S. Department of the Treasury from 1999 to 2001, and as Assistant Secretary of the Treasury from 1997 to 1999. From 1988 to 1997, Mr. Gensler was a partner of The Goldman Sachs Group, LP, where he served in various capacities including co-head of finance, responsible for controllers and treasury worldwide. Mr. Gensler is co-author of "The Great Mutual Fund Trap." He serves as a Trustee of the Baltimore Museum of Art, the Bryn Mawr School, and The Enterprise Foundation, and is a member of the Board of Visitors of the University of Maryland, Baltimore County

and the Board of The Johns Hopkins Center for Talented Youth. Mr. Gensler also serves on the Management Advisory Board of New Mountain Capital, LLC. Mr. Gensler is Chair of the Audit Committee of the Board. Mr. Gensler holds a bachelor's degree in economics and a master's degree in business administration from the Wharton School of the University of Pennsylvania.

Mr. Robert R. Grusky

is a co-founder and has been a Member of New Mountain Capital, LLC, since January 2000. Mr. Grusky is also the founder and managing member of Hope Capital Management, LLC., an investment manager, since 2000. From 1998 to 2000, Mr. Grusky served as President of RSL Investments Corporation. From 1985 to 1997, with the exception of 1990 to 1991 when he was on a leave of absence to serve as a White House Fellow and Assistant for Special Projects to the Secretary of Defense, Mr. Grusky served in a variety of capacities, including Vice President at Goldman, Sachs & Co., first in its Mergers & Acquisitions Department and then in its Principal Investment Area. He is also on the Board of Directors of Surgis, Inc. and National Medical Health Card Systems, Inc., as well as a member of the Board of Trustees of Hackley School and the Multiple Myeloma Research Foundation. Mr. Grusky is a member of the Audit Committee of the Board. He holds a bachelor's degree in history from Union College and a master's degree in business administration from Harvard University.

Mr. Robert L. Johnson

is the founder and Chief Executive Officer of Black Entertainment Television (BET), a subsidiary of Viacom and the leading African-American operated media and entertainment company in the United States. In 2002, Mr. Johnson became the first African-American majority owner of a major sports franchise, the Charlotte Bobcats of the NBA. He is also the owner of the Charlotte Sting of the WNBA. Mr. Johnson is also the founder of RLJ Companies where he owns or holds interests in companies operating in the professional sports, hospitality/restaurant, real estate, gaming, and recording industries. From 1976 to 1979, he served as vice president of governmental relations for the National Cable & Telecommunications Association (NCTA). Mr. Johnson also served as press secretary for the Honorable Walter E. Fauntroy, Congressional Delegate from the District of Columbia. He also serves on the following boards:

US Airways, Hilton Hotels, NBA Board of Governors, The Johns Hopkins University, Lowe's Companies and the American Film Institute. Mr. Johnson is also a member of the Board of Governors for the Rock and Roll Hall of Fame in Cleveland, Ohio. Mr. Johnson is a member of the Compensation Committee of the Board. He holds a bachelor's degree in social studies from the University of Illinois and a master's degree in international affairs from the Woodrow Wilson School of Public and International Affairs at Princeton University.

Mr. Steven B. Klinsky

is the Founder and has been the Managing Member and Chief Executive Officer of New Mountain Capital, LLC, since January 2000. From 1987 to June 1999, Mr. Klinsky was a general partner of Forstmann Little & Co., a private equity firm. Mr. Klinsky was non-executive Chairman of the Board from March 2001 until February 2003 and served as the Board's Presiding Outside Director from February 2004 until February 2005. He is a member of the Nominating/Governance Committee of the Board. He also serves on the Board of Directors of Surgis, Inc., Overland Solutions, Inc., Apptis, Inc., and National Medical Health Card Systems, Inc. Mr. Klinsky holds a bachelor's degree in economics and political philosophy from the University of Michigan, a master's degree in business administration and a juris doctorate from Harvard University.

Mr. Todd A. Milano

has been President and Chief Executive Officer of Central Pennsylvania College since 1989. Mr. Milano is a member of the Compensation Committee of the Board and is also a member of the Strayer University Board of Trustees. Mr. Milano holds a bachelor's degree in industrial management from Purdue University.

Mr. G. Thomas Waite, III

has been Treasurer and Chief Financial Officer of the Humane Society of the United States since 1993. In 1992, Mr. Waite was the Director of Commercial Management of The National Housing Partnership. Mr. Waite is a member of the Audit Committee of the Board and is also a member of the Strayer University Board of Trustees. Mr. Waite holds a bachelor's degree in commerce from the University of Virginia and is a Certified Public Accountant.

Mr. J. David Wargo

is a co-founder and has been a Member of New Mountain Capital, LLC since January 2000. Since 1993, Mr. Wargo has also been President of Wargo and Company, Inc., an investment management company. From 1989 to 1992, Mr. Wargo was a Managing Director and Senior Analyst of The Putnam Companies, a Boston-based investment management company. From 1985 to 1989, Mr. Wargo was a partner and held other positions at Marble Arch Partners. Mr. Wargo is a Director of Liberty Media International and OpenTV Corporation. Mr. Wargo is

Chair of the Compensation Committee of the Board. Mr. Wargo holds a bachelor's degree in

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physics and a master's degree in nuclear engineering, both from the Massachusetts Institute of Technology. He also holds a master's degree in management from the Sloan School of Management, Massachusetts Institute of Technology.

Board Committees

The Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating/Governance Committee. The current Committee membership is as follows:

Director's Name	Audit	Compensation	Nominating/ Governance
Robert S. Silberman			
Charlotte F. Beason			X
William E. Brock			X
David A. Coulter			
Gary Gensler	X		
Robert R. Grusky	X		
Robert L. Johnson		X	
Steven B. Klinsky			X
Todd A. Milano		X	
G. Thomas Waite, III	X		
J. David Wargo		X	

Audit Committee. For the year ended December 31, 2004, the Audit Committee was composed of Messrs. Gensler (Chair), Milano and Waite. The Committee is currently comprised of Messrs. Gensler (Chair), Grusky and Waite. Mr. Grusky was appointed to the Audit Committee in February 2005. The Committee performs a variety of tasks, including being directly responsible for the appointment, compensation and oversight of the Corporation's independent registered public accounting firm, reviewing the Corporation's accounting policies and reviewing the Corporation's unaudited quarterly earnings releases and periodic filings with the Securities and Exchange Commission (the "SEC") that include financial statements, and reporting to the Board of Directors. The Audit Committee met four times during 2004; each member of the Audit Committee (as it was constituted at those times) attended those meetings. The Audit Committee has adopted a written charter, a copy of which the Corporation will provide to any person without charge, upon request. Persons wishing to make such a request should contact Sonya G. Udler, Vice President – Corporate Communications, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, (703) 247-2500. In addition, the Audit Committee charter is available on the Corporation's website, www.strayereducation.com. The Board of Directors has determined that all of the members of the Audit Committee are independent, as independence is defined in Rule 4200(a)(14) of The National Association of Securities Dealers' Listing Standards and Rule 10A-3(b)(1) of the 1934 Act. The Board of Directors has determined that Gary Gensler qualifies as an "audit committee financial expert", as defined by Securities and Exchange Commission Rules, based on his education, experience and background. A report of the Audit Committee is included below in this proxy statement. A copy of the Audit Committee's charter is attached to this proxy statement as Exhibit B.

Compensation Committee. For the year ended December 31, 2004, the Compensation Committee was composed of Messrs. Coulter (Chair), Johnson and Wargo. The Compensation Committee is currently composed of Messrs. Wargo (Chair), Johnson and Milano. Mr. Milano was appointed to the Compensation Committee in February 2005. The Compensation Committee, subject to the approval of the Board, has the authority and performs all of the duties related to approving the compensation of management of the Corporation, including determining policies and practices, changes in compensation and benefits for management, determination of employee benefits and all other matters relating to

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employee compensation, including matters relating to the administration of the Option Plan. The Compensation Committee met three times during the year ended December 31, 2004; all members of the Compensation Committee (as it was constituted at those times) attended all meetings. A report of the Compensation Committee is included below in this proxy statement. The Board has determined that each of the members of the Compensation Committee are independent, as independence is defined in Rule 4200(a)(14) of The National Association of Securities Dealers' Listing Standards.

Nominating/Governance Committee. For the year ended December 31, 2004, the Nominating/Governance Committee (the "Nominating Committee") was composed of Dr. Beason and Messrs. Brock (Chair) and Grusky. The Nominating Committee is currently composed of Dr. Beason and Messrs. Brock (Chair) and Klinsky. The Board has determined that each of the members of the Nominating Committee are independent, as independence is defined in Rule 4200(a)(14) of The National Association of Securities Dealers' Listing Standards. The Nominating Committee is responsible for establishing qualifications for potential directors and considering and recommending prospective candidates for Board membership. The Nominating Committee met once during the year ended December 31, 2004; each member of the Nominating Committee (as it was then constituted at that time) attended that meeting.

The Nominating Committee has adopted a written charter. The Nominating Committee charter will be made available to any person upon request without charge. Persons wishing to make such a request should contact Sonya G. Udler, Vice President – Corporate Communications, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, (703) 247-2500. In addition, the Nominating Committee charter is available on the Corporation's website, www.strayereducation.com.

The Nominating Committee considers many factors when considering candidates for the Board. The Nominating Committee strives for the Board to be comprised of directors with a variety of experience and backgrounds and who represent the interests of stockholders as a whole. Other important factors in Board composition include diversity in its truest sense, skill, specialized expertise, level of education and/or business experience, broad-based business acumen, and experience and understanding of strategy and policy-setting, as well as having a commitment to maintaining the high academic quality of Strayer University and maximizing stockholder value. (The Nominating Committee also encourages all Board members to make an economic investment in the Corporation by purchasing shares directly.) Depending upon the current needs of the Board, certain factors may be weighed more or less heavily by the Nominating Committee.

In considering candidates for the Board, the Nominating Committee considers the entirety of each candidate's credentials and does not have any specific minimum qualifications that must be met by a Nominating Committee recommended nominee. However, the Nominating Committee does believe that all members of the Board should have the highest character and integrity; a reputation for working constructively with others; sufficient time to devote to Board matters; and no conflict of interest that would interfere with performance as a director. In addition, it is anticipated that the Board as a whole be able to operate in an atmosphere where the chemistry of the individuals is a

key element.

The Nominating Committee does not evaluate candidates differently based on who has made the proposal. The Nominating Committee has the authority under its charter to hire and pay a fee to consultants or search firms to assist in the process of identifying and evaluating candidates. No such consultants or search firms have been used to date and, accordingly, no fees have been paid to consultants or search firms in the past fiscal year.

In considering persons to nominate for election as common stock directors, the Nominating Committee will entertain recommendations from common stockholders that are submitted in writing to the Corporation, provided that such common stockholders (i) beneficially own more than 5% of the Corporation's common stock or (ii) have beneficially owned more than 1% of the Corporation's common stock for at least one year. Stockholders meeting such criteria may recommend candidates for consideration by the Nominating Committee by writing to Steven A. McArthur, Corporate Secretary, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, giving the candidate's name, contact information, biographical data and qualifications, as well as evidence of the stockholder satisfying the criteria set forth above. A written statement from the candidate consenting to be named as a candidate and, if nominated

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and elected, to serve as a director should accompany any such recommendation. All such recommendations will be treated confidentially and brought to the attention of the Nominating Committee.

Stockholders who wish to nominate a director for election at an annual meeting of the stockholders of the Corporation must also comply with the Corporation's By-laws regarding stockholder proposals and nominations. See "Stockholder Proposals" contained in this proxy statement.

Attendance at Meetings and Director Independence

The Board of Directors met five times during 2004. Each Director attended at least 75% of the meetings of the Board and of the meetings of the Board Committees on which he or she served as a member in 2004. At each regularly scheduled meeting of the Board, the independent directors met in executive session. The Board's Presiding Outside Director, currently Mr. Coulter, presides at these meetings. The Corporation strongly encourages all incumbent directors and director nominees to attend each annual meeting of stockholders. All incumbent directors attended the Corporation's last annual meeting of stockholders held on May 4, 2004.

The Board of Directors consists of a majority of independent directors, as independence is defined in Rule 4200(a)(14) of The National Association of Securities Dealers' Listing Standards. The Board of Directors has determined that all members of the Board of Directors, except for Mr. Silberman, are independent under these standards.

Code of Ethics

The Board of Directors adopted a Code of Ethics in February 2004, meeting the requirements of Section 406 of the Sarbanes-Oxley Act of 2002 and applicable NASDAQ requirements. The Corporation will provide to any person without charge, upon request, a copy of such Code of Ethics. Persons wishing to make such a request should contact Sonya G. Udler, Vice President – Corporate Communications, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, (703) 247-2500. (In addition, the Code of Ethics is available on the corporate website, www.strayereducation.com.) In the event that the Corporation makes any amendment to, or grants any waiver from, a provision of the Code of Ethics

that applies to the Corporation's principal executive officer, principal financial officer, principal accounting officer, controller or certain other senior officers and requires disclosure under applicable SEC rules, the Corporation intends to disclose such amendment or waiver and the reasons for the amendment or waiver on the Corporation's website, located at www.strayereducation.com and, as required by NASDAQ, file a Current Report on Form 8-K with the SEC reporting the amendment or waiver.

Stockholder Communication with Directors

The Corporation has a process for stockholders to send communications to the Board of Directors. Any stockholder that wishes to communicate with the Board of Directors may do so by submitting correspondence in writing to the Board, in care of Steven A. McArthur, Corporate Secretary, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication." All such letters must identify the author as a stockholder. All correspondence from stockholders that (i) beneficially own more than 5% of the Corporation's common stock or (ii) have beneficially owned more than 1% of the Corporation's common stock for at least one year will be forwarded to the Board. Stockholder-board communications from all other stockholders will be reviewed by the Chief Executive Officer and the Secretary of the Corporation who will forward all appropriate communications to the Board.

Directors' Compensation

Directors who are employees receive no additional compensation for serving as directors. All directors are reimbursed for expenses incurred in connection with their attendance at Board and Committee meetings, and during 2004 non-employee directors received \$4,000 in cash compensation for each regular Board of Directors meeting attended. Following the annual stockholders meeting occurring after new directors first join the Board, under the Corporation's Stock Option Plan, as amended in May

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2001, such new directors are also granted options to purchase up to 10,000 shares of common stock pursuant to a mechanical pricing formula resulting in an exercise price set at a premium equal to the risk free rate of return above the then current market price. (Messrs. Klinsky, Grusky and Wargo elected not to receive cash or option compensation for serving on the Board as preferred stock directors in 2001-2004.)

Section 16(a) Beneficial Ownership Reporting Compliance

The Securities Exchange Act of 1934 (the "1934 Act") requires the Corporation's directors, executive officers and 10% stockholders to file reports of beneficial ownership of equity securities of the Corporation and to furnish copies of such reports to the Corporation. Based on a review of such reports, and upon written representations from certain reporting persons, the Corporation believes that, during the fiscal year ended December 31, 2004, all such filing requirements were met.

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BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table sets forth certain information regarding the ownership of the Corporation's common stock as of March 14, 2005 (except as otherwise indicated), by each person known by management of the Corporation to be the beneficial owner of more than five percent (5%) of the outstanding shares of the Corporation's common stock, each of the Corporation's directors, its CEO and the four next highest compensated executive officers and all executive officers and directors as a group. The information presented in the table is based upon the most recent filings with the Securities and Exchange Commission by those persons or upon information otherwise provided by those persons to the Corporation. The percentages reflected in the table for each beneficial owner are calculated based on the number of shares of common stock outstanding on the record date plus those common stock equivalents and exercisable options held by the applicable beneficial owner. **Certain of the stockholders represent duplicate entries when more than one individual or entity must report beneficial ownership as to the same shares, see footnote (c) below.**

Name of Beneficial Owner	Common Stock Beneficially Owned	Options Currently Exercisable or Exercisable within 60 Days	Total	Percentage Owned
<u>Stockholders:</u>				
Baron Capital Group, Inc. (a)	1,384,150	0	1,384,150	9.5%
Lone Pine Associates LLC (b)	1,221,551	0	1,221,551	8.3%
New Mountain Partners, L.P. (c)	1,192,120	0	1,192,120	8.1%
North Sound Capital LLC (d)	838,994	0	838,994	5.7%
Wellington Management Company, LLP (e)	799,480	0	799,480	5.5%
<u>Directors:</u>				
Steven B. Klinsky (c)	1,192,120	0	1,192,120	8.1%
Robert S. Silberman	6,152	366,667	372,819	2.5%
Dr. Charlotte F. Beason	3,450	0	3,450	*
William E. Brock	0	10,000	10,000	*
David A. Coulter	0	10,000	10,000	*
Gary Gensler	3,000	10,000	13,000	*
Robert R. Grusky (c)	0	0	0	0%
Robert L. Johnson	5,341	3,333	8,674	*
Todd A. Milano	9,106	0	9,106	*
G. Thomas Waite, III	3,128	0	3,128	*
J. David Wargo (c)	0	0	0	0%
<u>Executive Officers:</u>				
Mark C. Brown	1,457	81,249	82,706	*
Lysa A. Hlavinka	139	20,000	20,139	*
Steven A. McArthur	3,649	50,000	53,649	*
Pamela S. Bell	170	0	170	*
James F. McCoy	0	0	0	0%
Kevin P. O'Reagan	0	41,666	41,666	*
Dr. J. Chris Toe	0	0	0	0%
Sonya G. Udler	52	6,666	6,718	*
Michael J. Fortunato	300	0	300	*

All Executive Officers and Directors

(20 persons)	1,228,064	599,581	1,827,645	12.0%
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*represents amounts less than 1%

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- (a) As of December 31, 2004, based on a Schedule 13G/A filed with the SEC on February 15, 2005. Baron Capital Management, Inc. and BAMCO, Inc. are investment advisers with respect to these shares for the accounts of other persons who have the right to receive, and the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares of common stock. The address is: 767 Fifth Avenue, New York, NY 10153.
- (b) As of December 31, 2004, based on a Schedule 13G/A filed with the SEC on February 11, 2005. According to the Schedule 13G/A, Lone Pine Associates LLC is the general partner of each of Lone Spruce, L.P., Lone Balsam, L.P., and Lone Sequoia, L.P. and, as a result, shares the power to vote or dispose of 155,837 shares of common stock held by those entities. Steven F. Mandel, Jr. shares the power to vote or dispose of shares of Strayer common stock through his role as managing member of Lone Pine Associates LLC. In addition, Lone Cypress, Ltd., a client of Lone Pine Capital LLC of which Mr. Mandel is the managing member, has the power to direct the receipt of dividends from or the proceeds of the sale of 1,065,714 shares of Strayer common stock. The address is: Two Greenwich Plaza, Greenwich, CT 06830.
- (c) As of December 9, 2004, based on a Schedule 13D/A filed with the SEC on December 13, 2004. New Mountain Partners, L.P. ("New Mountain Partners") address is 712 Fifth Avenue, 23rd Floor, New York, NY 10019. New Mountain Investments, L.P. ("NMI") is New Mountain Partners' general partner and New Mountain GP, LLC ("NM") is NMI's general partner. Mr. Klinsky is the sole member of NM. Messrs. Grusky and Wargo are passive limited partners in NMI. Messrs. Klinsky, Grusky and Wargo disclaim beneficial ownership of the shares owned by New Mountain Partners, except to the extent of their beneficial ownership therein.
- (d) As of December 31, 2004, based on Schedule 13G/A filed with the SEC on January 26, 2005. According to the Schedule 13G/A, the ultimate managing member of North Sound Capital LLC ("North Sound") is Thomas McAuley. North Sound may be deemed the beneficial owner of the shares in its capacity as the managing member of North Sound Legacy Fund LLC and North Sound Legacy Institutional Fund LLC and the investment advisor of North Sound Legacy International Ltd. (the "Funds"), who are the holders of such shares. As the managing member or investment advisor, respectively, of the Funds, North Sound has voting and investment control with respect to the shares of Strayer common stock held by the Funds. The address is: 53 Forest Avenue, Suite 202, Old Greenwich, CT 06870.
- (e) As of December 31, 2004, based on a Schedule 13G filed with the SEC on February 14, 2005. Wellington Management Company is an investment advisor with respect to these shares for the accounts of other persons who have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares of common stock. The address is: 75 State Street, Boston, MA 02109

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Executive Compensation

The following table sets forth annual and long-term compensation for the fiscal years ended December 31, 2002, 2003 and 2004 for services in all capacities to the Corporation of the Chief Executive Officer and the other four highest compensated executive officers.

Summary Compensation Table

	Year	Annual Compensation			Long-Term Compensation Awards Securities Underlying
		Salary	Bonus	All Other Compensation (a)	Options/SAR's (b)
Robert S. Silberman Chairman & CEO	2004	\$ 445,000	\$ 750,000	\$ 4,000	0
	2003	\$ 420,000	\$ 550,000	\$ 4,000	100,000 shares
	2002	\$ 358,750	\$ 300,000	\$ 110,215	0
Mark C. Brown Senior VP & CFO	2004	\$ 198,500	\$ 250,000	\$ 3,970	0
	2003	\$ 186,500	\$ 250,000	\$ 3,730	10,000 shares
	2002	\$ 179,375	\$ 135,000	\$ 94,161	0
Lysa A. Hlavinka Senior VP Marketing & Administration	2004	\$ 134,750	\$ 135,000	\$ 2,695	10,000 shares
	2003	\$ 127,300	\$ 125,000	\$ 3,646	15,000 shares
	2002	\$ 102,500	\$ 55,000	\$ 2,850	0
Steven A. McArthur Senior VP & General Counsel	2004	\$ 196,000	\$ 250,000	\$ 3,920	0
	2003	\$ 190,000	\$ 250,000	\$ 3,800	25,000 shares
	2002	\$ 179,375	\$ 150,000	\$ 70,755	0
Kevin P. O'Reagan Vice President & CTO	2004	\$ 169,000	\$ 125,000	N/A	0
	2003	\$ 160,000	\$ 125,000	N/A	10,000 shares
	2002	\$ 153,750	\$ 75,000	N/A	0

(a) Other Compensation reflects, if applicable, Corporation 401(k) match of up to \$4,000 and reimbursement for relocation expenses and associated tax gross-up.

(b) The following stock options were granted on February 15, 2005 to the Chief Executive Officer and the other four highest compensated executive officers: Robert S. Silberman – 100,000 shares; Mark C. Brown – 25,417 shares; Lysa A. Hlavinka – 15,000 shares; Steven A. McArthur – 16,666 shares; and Kevin P. O'Reagan – 5,000 shares.

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Option Grants in Last Fiscal Year

Individual Grants

Name

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	Number of Securities Underlying Options Granted	% of Total Options Grants to Employees in Fiscal Year	Exercise Price (\$/Share)	Expiration Date	Fair Value of Options at Grant Date (b)
Robert S. Silberman Chairman & CEO	0	N/A	N/A	N/A	N/A
Mark C. Brown Senior VP & CFO	0	N/A	N/A	N/A	N/A
Lysa A. Hlavinka Senior VP Marketing & Administration	10,000(a)	11.8%	\$ 119.72	May 10, 2012	\$ 477,000
Steven A. McArthur Senior VP & Gen. Counsel	0	N/A	N/A	N/A	N/A
Kevin P. O'Reagan Vice President & CTO	0	N/A	N/A	N/A	N/A

(a)Vesting 100% on May 11, 2008.

(b)Fair value of options at grant date is computed using Black-Scholes methodology and the following assumptions: dividend yield of 0.24%, risk-free interest rate of 3.8%, volatility of 34%, expected option term of 6.1 years and a forfeiture rate of 10% resulting in a fair value of \$47.70 per share.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values*

Name	Shares Acquired on Exercise (#)	Value Realized (\$)*	Number of Securities Underlying Unexercised Options Held at Fiscal Year End (#)		Value of Unexercised in-the-Money Options at Fiscal Year End (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Robert S. Silberman	50,000	\$ 3,368,000	333,333	66,667	\$24,704,000	\$ 3,745,000
Mark C. Brown	10,417	\$ 558,000	77,916	6,667	\$ 4,837,000	\$ 375,000
Lysa A. Hlavinka	0	\$ 0	15,000	20,000	\$ 922,000	\$ 562,000
Steven A. McArthur	8,333	\$ 395,000	41,667	16,667	\$ 3,171,000	\$ 936,000
Kevin P. O'Reagan	5,000	\$ 277,000	38,333	6,667	\$ 2,430,000	\$ 375,000

*Pre-tax value.

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Peer Group-Performance Graph

The following performance graph compares the Corporation's cumulative stockholder return on its common stock since December 31, 1999 with The NASDAQ Stock Market (U.S.) Index and a self-determined peer group consisting of Apollo Group, Inc. (APOL), Career Education Corporation (CECO), Corinthian Colleges, Inc. (COCO), DeVry, Inc. (DV), Education Management Corporation (EDMC), and ITT Educational Services, Inc. (ESI). At present, there

is no comparative index for the education industry. This graph is not deemed to be "soliciting material" or to be filed with the SEC or subject to the SEC's proxy rules or to the liabilities of Section 18 of the 1934 Act, and the graph shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Corporation under the Securities Act or the Securities Exchange Act.

Comparison of 60 Month Cumulative Total Return*
Among Strayer Education, Inc.
The NASDAQ Stock Market (U.S.) Index and a Peer Group

Name	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04
Strayer Education, Inc.	100	129	247	291	551	556
NASDAQ Stock Market (U.S.)	100	61	48	33	49	53
Peer Group	100	226	270	337	551	577

*The comparison assumes \$100 was invested on December 31, 1999 in the Corporation's common stock, the NASDAQ Stock Market (U.S.) Index and the peer companies selected by the Corporation and assumes the reinvestment of all dividends, if any.

NOTE: Peer group consists of Apollo Group, Inc., Career Education Corporation, Corinthian Colleges, Inc., DeVry, Inc., Education Management Corporation and ITT Educational Services, Inc.

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COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Directors has prepared the following report on the Committee's policies with respect to the compensation of executive officers for 2004. The Corporation's executive officer compensation is determined by the Compensation Committee, subject to the approval of the Board. The Compensation Committee meets from time to time during the year as may be required to address compensation and option issues associated with new officer hires and director appointments, as well as, if applicable, making option grants as long-term compensation and making other determinations or recommendations with respect to employee benefit plans and related matters. The Committee also meets specifically at the February Board meeting (when audited year-end financials are available) to award bonuses with respect to the just completed fiscal year, and determine executive officer salaries with respect to the next fiscal year.

Compensation Principles

1. The Compensation Committee believes that compensation of the Corporation's key executives should be sufficient to attract and retain highly qualified and productive personnel, as well as to enhance productivity and encourage and reward superior performance.
2. It is the policy of the Corporation that the three primary components of the Corporation's total compensation package (base salary, cash bonuses and grants of stock options) will be considered in the aggregate in determining the amount of any one component.
3. The Committee believes the Corporation should make initial option grants to executive officers upon commencement of employment in order to more closely align their interests with stockholders.
- 4.

The Committee seeks to reward achievement of specific long and short-term individual and corporate performance goals by authorizing annual cash bonuses.

5. The Compensation Committee's criteria for assessing executive performance in any year is based on the Corporation meeting consolidated financial targets set by the Board against an approved budget, and the Committee's exercise of its judgment regarding the performance of executive officers against other individual and corporate performance goals approved by the Board.
6. The Committee's guiding principles are focused on encouraging officers and directors to think like owners. To this end, the Committee:
 - i. Generally requires senior officers to purchase outright in the market and hold during their term of employment a meaningful number of common shares;
 - ii. Generally requires commitment by senior officers to hold without exercise during their term of employment at least 75% of their granted stock options or, upon exercise, to hold at least 75% of the resulting common shares acquired upon exercise;
 - iii. Encourages Board members to purchase common shares outright in the market and hold these during their term; and
 - iv. Requires that those Board members who receive option grants upon joining the Board will have the exercise price of those options set at a premium above the then current market price equal to the risk free rate of return.

During 2004, the Corporation's executive compensation included base salary, cash bonus and long-term compensation in the form of stock options awarded under the Corporation's Employee Stock Option Plan. As described above, the cash bonus compensation of executives is designed to compensate executives for the Compensation Committee's assessment of superior performance against consolidated financial targets set by the Board and meritorious and diligent individual efforts. The Committee did not specifically make the basis of its recommendations the comparison with any companies in the same industry. The long-term stock option grants made by the Compensation Committee are intended to align the interests of executives and the Corporation's stockholders and thereby to motivate executives as equity owners to contribute at superior levels in the future and to allow them to share in increased value developed for the Corporation's stockholders generally.

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Robert S. Silberman, the Corporation's Chairman and Chief Executive Officer, has an employment agreement with the Corporation which had an initial term of approximately three years (ending on December 31, 2004), and thereafter, automatically extends for successive one-year periods unless either the Corporation or Mr. Silberman provide timely notice to the contrary. Mr. Silberman's employment agreement currently provides for a base salary of \$600,000 per annum (subject to annual increases for at least cost of living adjustments). Mr. Silberman is also eligible to receive a target award of at least 75% of base salary, in the form of a bonus for each of the fiscal years during which he is employed, upon meeting certain individual, corporate and financial goals annually approved by the Board. In the event of termination without cause, the employment contract also provides for the payment of three years base salary and, if such termination is in connection with a change of control, an amount equal to three times the latest annual bonus award made to him under the agreement prior to the event of termination without cause.

At its February 8, 2005 meeting, the Compensation Committee recommended that the Board award Mr. Silberman a cash bonus of \$750,000 in order to reflect Mr. Silberman's superior performance and significant accomplishments during the year based on the Corporation meeting specified consolidated financial targets approved by the Board against budget and viewed in the context of his own individual goals and the Corporation's overall performance. In addition, at the Compensation Committee's February 8, 2005 meeting, the Compensation Committee authorized salary

increases and cash bonuses to other executives based on the Corporation meeting specified consolidated financial targets approved by the Board against budget and commensurate with the Compensation Committee's subjective assessment of their relative individual performance and in the context of the Corporation's overall performance.

In reviewing Mr. Silberman's compensation, the Compensation Committee first noted the Corporation had met various annual consolidated financial targets approved by the Board against budget and also subjectively considered Mr. Silberman's significant contribution to the management of the Corporation during the year, including: implementing a variety of new business development, corporate sponsorship and online expansion activities, as well as managing the Corporation's successful expansion into Georgia and South Carolina; and successfully adding new campuses in Pennsylvania and Tennessee and obtaining regulatory approval to commence operations in Florida. In the Committee's view, Mr. Silberman contributed very significantly to the Corporation, meeting the Board's annual consolidated financial goals and these various other achievements and, accordingly, the Compensation Committee believes his overall compensation was wholly justified.

Compensation Deductibility Policy

Under Section 162(m) of the Internal Revenue Code of 1986, as amended, and applicable Treasury regulations, no deduction is allowed for annual compensation in excess of \$1 million paid by a publicly traded corporation to its chief executive officer and four other most highly compensated officers. Under those provisions, however, there is no limitation on the deductibility of "qualified performance-based compensation." In general, the Corporation's policy is to maximize the extent of tax deductibility of executive compensation under the provisions of Section 162(m) so long as doing so is compatible with its determination as to the most appropriate methods and approaches for the design and delivery of compensation to the Corporation's executive officers.

Compensation Committee:

David A. Coulter, Chair
Robert L. Johnson
J. David Wargo

Dated: February 8, 2005

Other Compensation Plans

The Corporation maintains a retirement plan (the "401(k) Plan") intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended. The 401(k) Plan is a defined

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contribution plan that covers all full-time employees of the Corporation of at least 21 years of age. Effective January 1, 2005, employees may generally contribute up to \$14,000 of their annual wages (subject to an annual limit prescribed by the Internal Revenue Code) as pretax, salary deferral contributions. The Corporation, in its discretion, matches employee contributions up to a current maximum authorized amount under the plan of 3% of annual wages (increased from 2% to 3% effective January 1, 2005). In 2004, the Corporation matched the full 2%. The Corporation also maintains an Employee Stock Purchase Plan (the "Employee Purchase Plan"). The purpose of the Employee Purchase Plan is to enable eligible full-time employees of the Corporation, through payroll deductions, to purchase shares of our common stock at a 10% discount from the prevailing market price from time to time.

AUDIT COMMITTEE REPORT

The Audit Committee of the Strayer Education, Inc. Board of Directors is composed of three directors, all of whom are independent, as independence is defined in Rule 4200(a)(14) of The National Association of Securities Dealers' Listing Standards and Rule 10A-3(b)(1) of the 1934 Act. The Audit Committee operates under a written charter first adopted in 2001 and subsequently revised by the Committee to reflect regulatory developments. The Audit Committee is currently composed of Messrs. Gensler (Chair), Milano and Waite. The Audit Committee has adopted a written charter, a copy of which the Corporation will provide to any person without charge, upon request. Persons wishing to make such a request should contact Sonya G. Udler, Vice President - Corporate Communications, 1100 Wilson Blvd., Suite 2500, Arlington, VA 22209, (703) 247-2500. In addition, the Audit Committee charter is available on the Corporation's website, www.strayereducation.com. Under the Audit Committee Charter and the Committee's current policies, the Committee performs a variety of tasks, including being directly responsible for the appointment, compensation and oversight of the Corporation's independent registered public accounting firm, reviewing the Corporation's accounting policies and reviewing the Corporation's unaudited quarterly earnings releases and periodic filings with the SEC that include financial statements, and reporting to the Board of Directors.

The management of the Corporation is responsible for the Corporation's internal controls and financial reporting process and for maintaining the Corporation's compliance with applicable accounting standards. PricewaterhouseCoopers LLP, the Corporation's independent registered public accounting firm, is responsible for performing an independent audit of the Corporation's financial statements in accordance with generally accepted auditing standards and to provide a report thereon. The Committee's responsibility is to monitor and oversee these processes.

In connection with this responsibility, during 2004 the Committee met and held discussions with management and the independent registered public accounting firm four times. The Committee reviewed and discussed the audited financial statements with management. Management represented to the Committee that the Corporation's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee reviewed and discussed the consolidated financial statements with management and, independently with PricewaterhouseCoopers LLP. The Committee also discussed with PricewaterhouseCoopers LLP the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communications with Audit Committees).

During the year 2004, management completed the documentation, testing and evaluation of the Corporation's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Committee received periodic updates provided by management and PricewaterhouseCoopers LLP at each regularly scheduled Committee meeting. At the conclusion of the process, management provided the Committee with a report on the effectiveness of the Corporation's internal control over financial reporting. The Committee also reviewed the report of management contained in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2004 filed with the SEC, as well as PricewaterhouseCoopers LLP's Report of Independent Registered Public Accounting Firm (included in the Corporation's Annual Report on Form 10-K). This report related to its audit of (i) the consolidated financial statements, (ii) management's assessment of the effectiveness of internal control over financial reporting, and (iii) the effectiveness of internal control over financial reporting. The Committee continues to oversee the Corporation's efforts related to its internal control over financial reporting and management's preparations for the evaluation in fiscal 2005.

The Committee has received from PricewaterhouseCoopers LLP the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with PricewaterhouseCoopers LLP its independence.

Based upon the review and discussions referred to above, the Committee, consisting of the members for fiscal year ended December 31, 2004, recommended to the Board of Directors that the audited financial statements for the year 2004 be included in the Corporation's annual report on Form 10-K for

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the year ended December 31, 2004, filed with the SEC, and that PricewaterhouseCoopers LLP be retained as the Corporation's independent registered public accounting firm for fiscal year 2005.

Audit Committee:

Gary Gensler, Chair
Todd A. Milano
G. Thomas Waite, III

Dated: February 14, 2005

Employment Agreements and Change in Control Arrangements

In April 2001, the Corporation entered into an employment agreement with Mr. Silberman. The employment agreement provided for an initial three-year term, expiring on December 31, 2004, but is automatically extended for an additional year each January 1st, unless the Corporation or Mr. Silberman has given written notice by September 30 of the immediately preceding year that it or Mr. Silberman, as the case may be, does not wish to extend the term of the agreement. The agreement was extended to December 31, 2005. For his services, Mr. Silberman is entitled to receive an annual salary of at least \$600,000 plus a performance bonus based on his overall performance.

In the event that Mr. Silberman is terminated by the Corporation without cause, he is entitled to receive three years base salary and, if such termination is in connection with a change of control, an amount equal to three times his latest bonus award made to him. The agreement also contains covenants restricting Mr. Silberman from competing with the Corporation for three years after his termination of employment and requires Mr. Silberman to keep confidential the Corporation's proprietary information.

None of the Corporation's other executive officers have entered into employment agreements with the Corporation.

Certain Transactions with Former Management

As of December 31, 2004, the Corporation had long-term operating leases for thirty-three of its various campus and other administrative locations. The rents on these leases are all at market rates. Of these thirty-three locations, one of the Virginia campuses was in 2004 leased from a company which was wholly-owned by Mr. Ron K. Bailey, the Corporation's former President and Chief Executive Officer and former majority stockholder. Rent paid to Mr. Bailey under this operating lease (involving a total of 17,500 square feet) for the year ended December 31, 2004 totaled \$356,000. The Corporation currently believes that this campus lease with Mr. Bailey which expires in 2006 is on terms at least as favorable to the Corporation as terms reached in an arm's length transaction.

PROPOSAL 2**Ratification of Appointment of Independent Registered Public Accounting Firm**

The Audit Committee and the Board of Directors have appointed the independent registered public accounting firm of PricewaterhouseCoopers LLP to serve as the Corporation's independent registered public accounting firm for the fiscal year ending December 31, 2005. PricewaterhouseCoopers LLP has acted as the Corporation's independent registered public accounting firm for the fiscal year ended December 31, 2004. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they desire and to respond to appropriate questions. The ratification of the appointment of PricewaterhouseCoopers LLP requires the approval of a majority of the votes cast at the Annual Meeting.

The Board of Directors recommends a vote for the proposal to ratify the appointment of PricewaterhouseCoopers LLP as the Corporation's independent registered public accounting firm for the fiscal year ending December 31, 2005.

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Principal Accounting Fees and Services

Set forth below are the services rendered and related fees billed by PricewaterhouseCoopers LLP for 2003 and 2004:

	2003	2004
Audit Fees		
Consolidated financial statements audit	\$ 150,980	\$ 474,368
Consent/comfort letter for filing of Form S-3	23,640(a)	45,160
Ongoing accounting and assurance advice	—	—
	174,620	519,528
Tax Fees		
Preparation of corporate tax returns	19,543	21,800
Other tax services	18,459	16,991
	38,002	38,791
Other Services		
License fee for accounting database	840	900
	\$ 213,462	\$ 559,219

(a) New Mountain Partners and other preferred shareholders agreed to reimburse the Corporation for these expenses.

It is the Audit Committee's policy to pre-approve all audit and non-audit related services provided by the Corporation's independent registered public accounting firm. All of the services described above were pre-approved by the Corporation's Audit Committee.

PROPOSAL 3

Amendment of Employee Stock Option Plan to authorize 500,000 additional shares for future issuance thereunder and to extend the term of the Plan to 2020.

This section provides a summary of the terms of the Strayer Education, Inc. 1996 Stock Option Plan, as amended (the "Option Plan"), and the proposal to approve the amendment to the Option Plan. The principal changes to the Option Plan which are proposed to be implemented by the amendment are an increase in the number of shares reserved for issuance under the Option Plan by 500,000 shares of Common Stock and the extension of the term of the Plan by nine years to 2020. At the present time, there are 48,989 shares available for issuance under the Plan and the existing term of the Plan would expire in 2011. If the proposed amendment to the Option Plan is approved, the existing limit of 2,500,000 shares of Common Stock which were previously authorized to be reserved for issuance under the Option Plan during its entire term (1996-2011) will be increased by 500,000 shares to a total of 3,000,000 shares and the Plan term will be extended by nine years to 2020. In addition, two clarifying changes are being proposed. The first clarifying change is to eliminate the sublimit on grants of restricted stock under the Plan, which is currently 20% of the overall number of shares reserved for issuance under the Plan, which would have no practical effect under the Plan at the present time since the number of shares that would be available for issuance under the Plan, if the proposed amendment is approved is currently less than the 20% sublimit on grants of restricted stock. The second clarifying change is to clarify that there would be no repricing of options under the Plan without shareholder approval. A copy of the proposed amendment to the Option plan is attached as Exhibit C to this proxy statement.

On the recommendation of the Compensation Committee of the Board, the Board of Directors has determined that it is appropriate to amend the Option Plan to add 500,000 shares as there are currently 48,989 shares remaining available for grant under the Option Plan and to extend the term of the Plan by nine years. The Board believes that equity awards in the form of options and/or restricted stock serve to

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align the interests of managers with shareholders and are an important part of our recruitment process, and periodic grants to current employees can be vital to retaining employees.

Approval of the amendment to Option Plan by stockholders to add additional shares and extend the term of the Option Plan is required by stock exchange rules and regulations. The Option Plan was last amended by the Board of Directors on April 23, 2001, and that amendment was approved by our stockholders at the 2001 annual meeting of stockholders.

On March 14, 2005, the Record Date, the closing price of our Common Stock was \$105.89 per share and a total of 14,641,955 shares of Common Stock were outstanding and there were 27 existing participants in the Option Plan and 1,081,667 outstanding options to purchase shares of Common Stock.

Set forth in the table below is information pertaining to securities authorized for issuance under our equity compensation plans. There are options but no warrants or other rights existing under these plans.

Equity Compensation Plan Information
as of December 31, 2004

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
---------------	---	---	--

	(a)	(b)	under equity compensation plans (excluding securities reflected in column (a)) (c)
1. Equity compensation plans previously approved by security holders			
A. 1996 Stock Option Plan as amended at the May 2001 Annual Stockholders' Meeting	854,584 \$	49.22	276,072
2. Equity compensation plans not previously approved by security holders	—	—	—
Total	854,584 \$	49.22	276,072

The following stock options were granted on February 15, 2005 to the Chief Executive Officer and the other four highest compensated executive officers: Robert S. Silberman – 100,000 shares; Mark C. Brown – 25,417 shares; Lysa A. Hlavinka – 15,000 shares; Steven A. McArthur – 16,666 shares; and Kevin P. O'Reagan – 5,000 shares.

Because participation and the types of awards under the Option Plan are subject to the discretion of the Compensation Committee, the benefits or amounts that will be received by any participant or groups of participants if the Option Plan is approved are not currently determinable. In the judgment of the Board of Directors, the availability of an initial or increased grant under the Option Plan will be a valuable incentive and will benefit our stockholders by aligning more closely the interests of Option Plan participants with those of our stockholders. The affirmative vote of a majority of the shares of Common Stock voted at the Annual Meeting is required to approve the amendment to the Option Plan. Unless otherwise indicated, properly executed proxies will be voted "FOR" Proposal 3 to approve the amendment to the Option Plan.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" APPROVAL OF THE AMENDMENT TO THE OPTION PLAN.

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DESCRIPTION OF THE OPTION PLAN

A description of the terms of the Option Plan as proposed to be amended is set forth below. The following summary is qualified in its entirety by the terms of the Option Plan, a copy of which is attached as Exhibit D to this proxy statement and the terms of the proposed amendment to the Option Plan, a copy of which is attached as Exhibit C to this proxy statement.

Purpose. The purpose of the Option Plan is to advance our interests by providing eligible individuals an opportunity to acquire or increase a proprietary interest in the Corporation, which thereby will create a stronger incentive for those individuals to expend maximum effort for the growth and success of the Corporation, and will encourage such eligible individuals to remain in the employ of the Corporation.

Administration. The Option Plan is administered by the Compensation Committee of the Board of Directors. Subject to the terms of the plan, the Compensation Committee may select participants to receive awards, determine the types of awards and terms and conditions of awards, and interpret provisions of the Option Plan.

Common Stock Reserved for Issuance under the Option Plan. The Common Stock to be issued under the Option Plan consists of authorized but unissued shares and treasury shares, to the extent permitted by law. If any shares covered by an award are not purchased or are forfeited, or if an award otherwise terminates without delivery of any Common Stock, then the number of shares of Common Stock counted against the aggregate number of shares available under the Option Plan with respect to the award will, to the extent of any such forfeiture or termination, again be available for making awards under the Option Plan.

Eligibility. Awards may be made under the Option Plan to employees, consultants, officers and directors (including non-employee directors) of the Corporation or any of our affiliates, or to any other person that the Board of Directors determines is in our best interests.

Amendment or Termination of the Option Plan. The Board of Directors may terminate or amend the Option Plan at any time and for any reason. The Option Plan shall terminate in any event on April 23, 2011 unless extended to 2020 pursuant to the amendment. Amendments will be submitted for stockholder approval to the extent required by the Internal Revenue Code or other applicable laws, rules or regulations.

Options. The Option Plan permits the granting of options to purchase shares of Common Stock that are intended to qualify as incentive stock options under the Internal Revenue Code, as well as options that do not qualify as incentive stock options or that are granted to non-employee directors of the Corporation or a subsidiary.

The exercise price of each stock option may not be less than 100% of the fair market value of our Common Stock on the date of grant. The fair market value of our Common Stock is generally the closing price of the Common Stock on the NASDAQ Stock Market on the day the option is granted. In the case of certain 10% stockholders who receive incentive stock options, the exercise price may not be less than 110% of the fair market value of the Common Stock on the date of grant. An exception to these requirements is made for options that we grant in substitution for options held by employees of companies that we acquire. In such a case, the exercise price is adjusted to preserve the economic value of the employee's stock option from his or her former employer. In no event will the exercise price of an option be less than the market value of a share of Common Stock on the date of grant. However, the Option Plan has been amended to clarify that it expressly prohibits repricing outstanding options without stockholder approval.

The term of each option is fixed by the Compensation Committee and may not exceed 10 years from the date of grant. Options may be made exercisable in installments. The exercisability of options may be accelerated by the Compensation Committee. The Compensation Committee determines at what time or times each option may be exercised and the period of time, if any, after termination of employment during which options may be exercised. In general, options may be exercised for a period of one year if the grantee's termination of employment is due to the grantee's death or permanent and total disability.

In general, a grantee may pay the exercise price of an option by cash, certified check, by tendering shares of Common Stock, or, under certain circumstances, by means of a cashless exercise.

Stock options granted under the Option Plan may not be sold, transferred, pledged or assigned other than by will or under applicable laws of descent and distribution.

Non-Employee Director Option Grants. The Option Plan provides that eligible directors are directors elected to serve at or after the 2001 meeting of our stockholders who are not officers or other salaried employees of us or our subsidiaries. Partners and employees of our preferred stockholders are not eligible directors. Each eligible director is granted an option to purchase 10,000 shares on the tenth (10th) trading day after the date of the first annual meeting of our stockholders following the eligible director's initial election to the Board of Directors. This award of 10,000 shares is made automatically and does not require any further Board of Director action. The option price of this award will be the average of the closing prices of the Common Stock for the first ten (10) trading days after the annual meeting increased by the interest rate on five-year treasury notes applicable on that day. The number of shares to be granted to eligible directors is subject to adjustment in the event of a stock split or other similar event.

Other Awards. The Option Plan provides that the Compensation Committee may also grant restricted stock, which are shares of stock subject to restrictions, conditions or other terms, to persons eligible to receive grants under the Option Plan.

Effect of Certain Corporate Transactions. Certain change of control transactions involving us, such as a sale of the Corporation, may cause awards granted under the Option Plan to vest, unless the awards are continued or substituted for in connection with the change of control transaction.

Adjustments for Stock Dividends and Similar Events. The Compensation Committee will make appropriate adjustments in outstanding awards and the number of shares available for issuance under the Option Plan, including the individual limitations on options, to reflect dividends in the form of Common Stock, stock splits and other similar events.

Section 162(m) of the Internal Revenue Code. Section 162(m) of the Internal Revenue Code limits publicly held companies, such as the Corporation, to an annual deduction for federal income tax purposes of \$1 million for compensation paid to their covered employees. However, performance-based compensation is excluded from this limitation. The Option Plan is designed to permit the Compensation Committee to grant options that qualify as performance-based upon satisfying the various conditions of Section 162(m).

To qualify as performance-based:

- (i) the compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals;
- (ii) the performance goal under which compensation is paid must be established by a compensation committee comprised solely of two or more directors who qualify as outside directors for purposes of the exception;
- (iii) the material terms under which the compensation is to be paid must be disclosed to and subsequently approved by stockholders of the corporation before payment is made in a separate vote; and
- (iv) the compensation committee must certify in writing before payment of the compensation that the performance goals and any other material terms were in fact satisfied.

In the case of compensation attributable to stock options, the performance goal requirement (summarized in (i) above) is deemed satisfied, and the certification requirement (summarized in (iv) above) is inapplicable, if the grant or award is made by the Compensation Committee; the plan under which the option is granted states the maximum number of shares with respect to which options may be granted during a specified period to an employee; and under the terms of the option, the amount of compensation is based solely on an increase in the value of the common stock after the date

of grant. The maximum number of shares of Common Stock subject to options that can be awarded under the Option Plan to any person is 350,000 shares per year.

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FEDERAL INCOME TAX CONSEQUENCES

Incentive Stock Options. The grant of an option will not be a taxable event for the grantee or for us. A grantee will not recognize taxable income upon exercise of an incentive stock option (except that the alternative minimum tax may apply), and any gain realized upon a disposition of the Common Stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the grantee holds the shares of Common Stock for at least two years after the date of grant and for one year after the date of exercise (the "holding period requirement"). We will not be entitled to any business expense deduction with respect to the exercise of an incentive stock option, except as discussed below. For the exercise of an option to qualify for the foregoing tax treatment, the grantee generally must be our employee or an employee of one of our subsidiaries from the date the option is granted through a date within three months before the date of exercise of the option.

If all of the foregoing requirements are met except the holding period requirement mentioned above, the grantee will recognize ordinary income upon the disposition of the Common Stock in an amount generally equal to the excess of the fair market value of the Common Stock at the time the option was exercised over the option exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. We will be allowed a business expense deduction to the extent the grantee recognizes ordinary income, subject to our compliance with Section 162(m) of the Internal Revenue Code and to certain reporting requirements.

Non-Qualified Options. The grant of an option will not be a taxable event for the grantee or for us. Upon exercising a non-qualified option, a grantee will recognize ordinary income in an amount equal to the difference between the exercise price and the fair market value of the Common Stock on the date of exercise. Upon a subsequent sale or exchange of shares acquired pursuant to the exercise of a non-qualified option, the grantee will have taxable gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of Common Stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised).

If we comply with applicable reporting requirements and with the restrictions of Section 162(m) of the Internal Revenue Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income.

Restricted Stock. A grantee who is awarded restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of Common Stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). However, the grantee may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the Common Stock on the date of the award, determined without regard to the restrictions. If the grantee does not make such a Section 83(b) election, the fair market value of the Common Stock on the date the restrictions lapse will be treated as compensation income to the grantee and will be taxable in the year the restrictions lapse. If we comply with applicable reporting requirements and subject to the restrictions of Section 162(m) of the Internal Revenue Code, we will be entitled to a business expense deduction in the same amount and generally at the same time as the grantee recognizes ordinary income. Dividends, if any, paid on restricted stock in the absence of a timely Section 83(b) election are taxed as compensation income, subject to withholding taxes.

THE BOARD OF DIRECTORS BELIEVES THAT APPROVAL OF THE AMENDMENT TO THE OPTION PLAN IS IN THE BEST INTERESTS OF ALL STOCKHOLDERS AND, ACCORDINGLY, RECOMMENDS A VOTE FOR PROPOSAL 3.

Stockholder Proposals

All stockholder proposals intended to be presented at the 2006 Annual Meeting of Stockholders must be received by the Corporation no later than November 28, 2005 and must otherwise comply with rules of the SEC for inclusion in the Corporation's proxy statement and form of proxy relating to the meeting.

SEC rules also establish a different deadline for submission of stockholder proposals that are not intended to be included in the Corporation's proxy statement with respect to discretionary voting. The

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discretionary voting deadline for the Corporation's 2006 Annual Meeting is February 11, 2006. If a stockholder gives notice of such a proposal after the discretionary voting deadline, the Corporation's proxy holders will be allowed to use their discretionary voting authority to vote against the stockholder proposal when and if the proposal is raised at the Corporation's 2006 Annual Meeting of Stockholders.

Other Matters

The Corporation knows of no other matters to be presented for action at the Annual Meeting other than those mentioned above. However, if any other matters should properly come before the meeting, it is intended that the persons named in the accompanying proxy card will vote on such matters in accordance with their best judgment.

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Exhibit A

REVOCABLE PROXY

STRAYER EDUCATION, INC.

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 3, 2005

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder hereby appoints Robert S. Silberman, Steven A. McArthur and Mark C. Brown or any of them, attorneys and proxies of the undersigned, with full power of substitution and with authority in each of them to act in the absence of the other, to vote for the undersigned at the Annual Meeting of Stockholders of the Corporation

to be held on Tuesday, May 3, 2005 at 8:30 a.m. (Eastern time) at the Strayer University campus located at 1133 15th Street, N.W., 3rd floor, Room 322, Washington, DC, and at any adjournments thereof, in respect of all shares of the Common Stock of the Corporation which the undersigned may be entitled to vote, on the following matters:

PLEASE MARK, SIGN AND DATE THIS PROXY AND RETURN IT PROMPTLY TO ENSURE A QUORUM AT THE MEETING. IT IS IMPORTANT WHETHER YOU OWN FEW OR MANY SHARES. DELAY IN RETURNING YOUR PROXY MAY SUBJECT THE CORPORATION TO ADDITIONAL EXPENSE.

(Continued and to be signed on the reverse side)

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ANNUAL MEETING OF STOCKHOLDERS OF

STRAYER EDUCATION, INC.

MAY 3, 2005

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

Please detach along perforated line and mail in the envelope provided.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF DIRECTORS AND "FOR" PROPOSALS 2 and 3.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

1. Election of eleven Directors by all Common Stockholders:

2. Proposal to ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Corporation.

FORAGAINST ABSTAIN

3. Proposal to amend the Employee Stock Option Plan.

FORAGAINST ABSTAIN

NOMINEES:

FOR ALL NOMINEES WITHHOLD AUTHORITY
O Robert S. Silberman
O Dr. Charlotte F. Beason
O William E. Brock
O David A. Coulter

This proxy, when properly executed, will be voted as directed herein by the undersigned shareholder. However, if no direction is given, this proxy will be voted FOR the election of nominated directors, FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the

FOR ALL NOMINEES
 FOR ALL
 EXCEPT
 (See instructions below)

O Gary Gensler
 O Robert R. Grusky
 O Robert L. Johnson
 O Steven B. Klinsky
 O Todd A. Milano
 O G. Thomas Waite III
 O J. David Wargo

Corporation's independent registered public accounting firm, and FOR the amendment of the Employee Stock Option Plan and on other matters in the discretion of the proxyholder as he may deem advisable.

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark "**FOR ALL EXCEPT**" and fill in the circle next to each nominee you wish to withhold, as shown here: •

The undersigned hereby acknowledges prior receipt of a copy of the Notice of Annual Meeting of Stockholders and proxy statement dated March 28, 2005, and hereby revokes any proxy or proxies heretofore given. This Proxy may be revoked at any time before it is voted by delivering to the Secretary of the Corporation either a written revocation of proxy or a duly executed proxy bearing a later date, or by appearing at the Annual Meeting and voting in person.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

If you receive more than one proxy card, please sign and return all cards in the accompanying envelope.

Please mark, sign and date this proxy and return it to ensure a quorum at the meeting. It is important whether or not you own few or many shares. Delay in returning your proxy may subject the corporation to additional expenses.

Signature of Stockholder:	Date:	Signature of Stockholder:	Date:
<p>Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please have a duly authorized officer sign full corporate name, giving full title as such. If signer is a partnership, please have an authorized person sign in partnership name.</p>			

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Exhibit B

STRAYER EDUCATION, INC.

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee of the Board of Directors shall perform a variety of tasks as described herein, including being directly responsible for the appointment, compensation and oversight of the Company's independent auditors, reviewing the Company's accounting policies and reviewing the Company's unaudited quarterly earnings releases and periodic filings with the Securities and Exchange Commission ("SEC") that include financial statements, and reporting to the Board of Directors. The Committee shall also monitor (1) the integrity of the financial statements of the Company, (2) the Company's compliance with accounting, legal and regulatory requirements and (3) the independence and performance of the Company's external auditors including the annual audit of the Company's consolidated financial statements; and (4) the effective functioning and performance of the Company's internal audit functions.

Composition

The membership of the Audit Committee shall consist of at least three members of the Board of Directors, who shall serve at the pleasure of the Board of Directors and be designated by the full Board of Directors, and who shall meet the following criteria:

1. Each member of the Audit Committee must be an independent director within the meaning of the applicable rules of the NASDAQ or any other securities exchange on which the company's securities are traded, as well as applicable SEC rules.
2. Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the company's balance sheet, income statement, and cash flow statement.
3. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or knowledge which results in the individual's financial sophistication, and accordingly shall be designated by the Board of Directors of the Company as the Committee's financial expert.

Duties

The Audit Committee, in addition to the primary responsibilities set forth under "Purpose" above shall:

1. Make regular reports to the Board of Directors.
2. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.
3. Review the annual audited financial statements with management and the Company's independent auditors, including major issues regarding accounting and auditing principles and practices, including accounting policies and the use of significant estimates, as well as the Company's system of internal controls.
4. Determine whether to recommend to the Board of Directors that the annual audited financial statements be included in the Company's annual report on Form 10-K.
5. Review with management and the Company's independent auditors any significant financial reporting issues raised by them in connection with the preparation of the Company's financial statements.
6. Review proposed major changes to the Company's auditing and accounting principles and practices that are brought to the attention of the Audit Committee by independent auditors, internal auditors or management.

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7. Recommend to the Board of Directors the adoption of a Code of Business Conduct, setting forth rules and standards for the conduct of the Company's business, including without limitation, internal control procedures, proper accounting and regulatory compliance procedures, conflict of interest, confidentiality and insider trading requirements and a mechanism and process for reporting, investigating and resolving complaints regarding Code violations, and monitor the Company's performance under such Code and suggest any applicable modifications to such Code.
 8. Confirm and assure the independence of the independent auditors by:

- a. Obtaining from the independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1.
 - b. Actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.
 - c. Taking appropriate action to oversee the independence of the independent auditors.
9. Review the performance of the independent auditors and, if so determined by the Audit Committee, replace the independent auditors.
 10. Review accounting and financial human resources and succession planning with the Company, and the appointment and replacement of the senior internal auditing executive, if any.
 11. Review any significant reports to management prepared by the internal auditing department, if any, and management's responses.
 12. Meet with the independent auditors prior to the audit to review the planning and staffing of the audit.
 13. Discuss with the independent auditors the matters required to be discussed by Statements on Auditing Standards Nos. 61 and 90 relating to the conduct of the audit.
 14. Review with the independent auditors any management letter provided by the auditors and management's response to that letter.
 15. Prepare and/or review the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.
 16. Review the Company's internal controls and policies and procedures regarding compliance with applicable laws and regulations and monitor the Company's compliance with the Company's Code of Business Conduct and oversee the Company's investigation and response to complaints of Code violations.
 17. Review with counsel legal matters that are brought to the Audit Committee's attention and that may have a material impact on the financial statements, the Company's compliance policies and material reports or inquiries received from regulatory bodies.
 18. Meet at least annually with the chief financial officer, the senior internal auditing executive, if any, and the independent auditor in separate executive sessions.

Powers

The Audit Committee shall have the power to appoint, compensate and replace the Company's independent auditors, to approve audits, accounting policies, financial disclosures and SEC filings, to adopt and modify a Company Code of Business Conduct and other internal control and compliance policies, and to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The Audit Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation. The Audit Committee may ask members of management or others to attend its meetings and provide pertinent information as necessary.

Relationship with Auditors and Board of Directors

The Company's independent auditors are ultimately accountable to the Board of Directors of the Company and to the Audit Committee, as representatives of the stockholders of the Company. The Board of Directors and the Audit Committee, as representatives of the Company's stockholders, have ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent auditors. While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and independent auditors or to assure compliance with laws and regulations and the Company's code of conduct.

Amended: May 4, 2004

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Exhibit C

PROPOSED AMENDMENT TO THE 1996 STOCK OPTION PLAN, AS LAST AMENDED AND RESTATED ON APRIL 23, 2001

The Strayer Education, Inc. 1996 Stock Option Plan (the "Plan") is hereby amended to (i) increase the number of shares of Company Common Stock reserved for issuance thereunder by 500,000 shares (increasing the existing limit for the entire term of the plan since 1996 until it expires from 2,500,000 shares to 3,000,000 shares), (ii) to extend the term of the Plan from 2011 to 2020, and (iii) to make certain other clarifying revisions of the Plan, effective as of the date of adoption (the "Adoption Date") of this Amendment by the Board of Directors of Strayer Education, Inc. (the "Corporation"), but subject to approval of this Amendment by the stockholders of the Corporation at the May 2005 Annual Meeting, as provided below:

1. Section 3 of the Plan is hereby amended as follows:

The existing reference to the aggregate limit of "2,500,000 shares" that may be issued pursuant to awards under the Plan in Section 3 is hereby amended to read "3,000,000 shares", and the clause "provided further that no more than twenty percent (20%) of the shares of stock may be issued pursuant to the grant of "Restricted Stock" is hereby deleted.

2. Section 5.2 of the Plan is hereby amended as follows:

The existing reference to a Plan termination date of "April 23, 2011" is amended to read "April 23, 2020".

3. Section 19 of the Plan is hereby amended by adding a new sentence at the end to read as follows:

"In addition, no amendment or modification may be made to an outstanding option or a stock appreciation right ("SAR") which reduces the option exercise price or SAR exercise price, either by lowering the option exercise price or SAR exercise price or by canceling the outstanding option or SAR and granting a replacement option or SAR with a lower exercise price without

the approval of the stockholders of the Company, provided, that, this shall not preclude the appropriate adjustments to outstanding options and SARs in connection with a corporate transaction such as a stock split.

4. The Plan shall otherwise be unchanged by this Amendment.
5. This Amendment is adopted subject to approval within one year of the Adoption Date at a meeting of the Corporation's stockholders at which a quorum is present by a vote of a majority of the shares present at such meeting in person or by proxy and entitled to vote thereon. If the stockholders fail to approve this Amendment within one year of the Adoption Date, no awards may be granted under the Plan covering shares of stock in excess of the number permitted under the Plan as in effect before the Adoption Date and the term of the Plan will expire at the termination date as in effect before the Adoption Date.

* * *

The foregoing Amendment to the Plan was duly adopted and approved by the Board of Directors of the Corporation by resolution at a meeting held on February 15, 2005, subject to approval of the Amendment by stockholders of the Corporation at the May 2005 Annual Meeting.

Secretary

The foregoing Amendment to the Plan was duly adopted by the stockholders of the Corporation at a meeting held on May 3, 2005.

Secretary

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EXHIBIT D

AMENDED
STRAYER EDUCATION, INC.
1996 STOCK OPTION PLAN
April 23, 2001

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