

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
June 5, 2006

THE WASHINGTON POST COMPANY

(Exact name of registrant as specified in its charter)

Delaware 1-6714 53-182885
(State or other (Commission File (IRS Employer
jurisdiction of Number) Identification No.)
incorporation)

1150 15th Street, N.W. 20071
Washington, D.C. (Zip Code)
(Address of principal
executive offices)

(202) 334-6000

(Registrants telephone number, including area code)

Not Applicable

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

Check the appropriate box below if the Form 8-K filing
is intended to simultaneously satisfy the filing
obligation of the registrant under any of the
following provisions:

- Written communications pursuant to Rule 425
under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12
under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to
Rule 14d-2(b) under the Exchange Act (17 CFR
240.14d-2(b))
- Pre-commencement communications pursuant to
Rule 13e-4(c) under the Exchange Act (17
CFR 240.13e-4(c))

Section 8 - Other Events

Item 8.01 Entry into a Material Definitive Agreement

On June 5, 2006, following approval by the
Compensation Committee of the Board of Directors
(the Committee) of The Washington Post Company (the
Company), the Company entered into a performance-
based retention arrangement with Mr. Jonathan Grayer,
the Chairman and Chief Executive Officer of its
subsidiary, Kaplan, Inc. (Kaplan). The arrangement
is designed to retain and extend Mr. Grayers service
to Kaplan. The arrangement provides, among other
things, that the Company will grant Mr. Grayer shares
of Kaplan common stock and options to purchase shares
of Kaplan common stock. Combined with the options and
shares Mr. Grayer already holds, these new grants will
bring his total holdings of shares and shares under
option to 5.01% of all outstanding Kaplan shares. In
addition, the arrangement provides Mr. Grayer with the
opportunity to be awarded additional shares in the
future, subject to performance standards, and in lieu
of amounts that would otherwise be paid to him as cash
bonuses. The number of shares that may be so issued
will depend not only on the extent to which performance
targets are achieved, but also on the then-current fair
market value of Kaplan common stock. The Compensation
Committee of the Board estimates that if the Executive
were awarded all the common shares for which he might
in the future be eligible under this arrangement, such

additional grants could represent, in the aggregate, approximately an additional 1% of shares of Kaplan common stock.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

Item 9.01(c) Exhibits

Exhibit No. Description

- | | |
|------|--|
| 99.1 | Agreement, dated as of June 5, 2006, between Mr. Jonathan Grayer and The Washington Post Company, relating performance-based retention arrangements. |
| 99.2 | Stockholders Agreement, dated as of June 5, 2006, among The Washington Post Company, Kaplan, Inc. and Mr. Jonathan Grayer. |

SIGNATURE

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

The Washington Post Company
(Registrant)

Date June 5, 2006

/s/ John B. Morse, Jr.
(Signature)

John B. Morse, Jr.
Vice President, Finance

EXHIBIT INDEX

Exhibit No. Description

- | | |
|--------------|--|
| Exhibit 99.1 | Agreement, dated as of June 5, 2006, between Mr. Jonathan Grayer and The Washington Post Company, relating performance-based retention arrangements. |
| Exhibit 99.2 | Stockholders Agreement, dated as of June 5, 2006, among The Washington Post Company, Kaplan, Inc. and Mr. Jonathan Grayer. |

AGREEMENT (this Agreement), dated as of June 5, 2006, between The Washington Post Company, a Delaware corporation (Parent), and Jonathan N. Grayer (the Executive).

WITNESSETH:

WHEREAS, the parties hereto wish to establish the equity compensation arrangements for the Executive for the years 2006 through and including 2011 in connection with assuring the Executives continued employment as Chairman and Chief Executive Officer of Kaplan, Inc. (the Company), a Delaware corporation and subsidiary of Parent.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

Chief Executive Officer shall mean the Chief Executive Officer of Parent.

Common Stock shall mean common stock, par value \$1.00 per share, of the Company.

Compensation Committee shall mean the Compensation Committee of the Board of Directors of Parent.

Current Fair Market Value shall mean \$1,833.00 per share of Common Stock, which the Compensation Committee has determined to be the Fair Market Value of the Common Stock as of the date hereof.

Disability shall have the meaning assigned thereto in the Stock Option Plan.

Fair Market Value shall mean, as of any date, the value of the Common Stock determined as follows:

(i) if the Common Stock is listed on any established stock exchange or a national market system, including without limitation The Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the mean between the high and low sale prices for the Common Stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in The Wall Street Journal or such other source as the Board of Directors of the Company deems reliable, or if the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, their Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the last market trading day prior to the day of determination; or

(ii) in the absence of an established market for the Common Stock, the aggregate Fair Market Value thereof shall be determined at least once a year on or before the first

day of February and at such other times as may be deemed appropriate by the Compensation Committee in its sole discretion. As part of its determination, the Compensation Committee shall (1) obtain and consider a professional appraisal of the value of the Company from an investment bank or from another entity capable of preparing such valuation; and (2) use or cause to be used methodologies such as those used by Goldman Sachs in each of its 1997-2005 valuations of the Company, including a multiple of earnings, present value of future cash flows or such other established methodologies that value comparable enterprises as going concerns. However, both the recommendation of the professional appraisal and the result of the application of such methodologies shall only be advisory to the Compensation Committee and not determinative of the value of the Company. The Compensation Committee shall have the right, in its sole discretion, to retain and make use of any advisory assistance it deems necessary or desirable in preparing the valuations of the Company, including, but not limited to, the right to appoint a new appraiser. The Fair Market Value of each share of Common Stock shall be determined by dividing the aggregate Fair Market Value by the number of then-outstanding shares of Common Stock plus the number of shares of Common Stock reserved for issuance under and pursuant to the terms of the Company's stock option plans.

Options shall mean options granted under the Stock Option Plan to purchase shares of Common Stock.

Pre-Compensation Operating Income shall mean the annual operating income of the Company, after deductions for annual cash bonuses, but not including any deductions for long-term compensation plans or the Stock Option Plan.

Stockholders Agreement shall mean the Stockholders Agreement, dated as of June 5, 2006, among Parent, the Company and the Executive.

Stock Option Plan shall mean the Fifth Amended and Restated Stock Option Plan of the Company, as amended from time to time.

ARTICLE II

EQUITY ARRANGEMENTS

SECTION 2.01. Initial Grant.

(a) Promptly after execution by the Executive of the Stockholders Agreement, Parent will cause the Company to issue to the Executive 2,619 shares of Common Stock (the Initial Grant), representing approximately \$4,800,000 of Common Stock based on the Current Fair Market Value thereof. Parent and the Executive agree that the Initial Grant shall be made in lieu of the Executives 2005 bonus.

(b) In connection with the Initial Grant, the Executive shall be

entitled to exercise a number of Options (the Exercised Options) currently held by the Executive that will, after the repurchase by Parent of the shares of Common Stock underlying such Options as set forth below, generate net proceeds to the Executive in an amount approximately equal to the Executives tax liability arising from the Initial Grant. Parent and the Executive agree that the Exercised Options relate to 3,364 shares of Common Stock of the Company. Upon exercise of the Exercised Options, (i) Parent will repurchase the shares of Common Stock received by the Executive in connection therewith at the Current Fair Market Value and (ii) Parent will cause the Company to grant the Executive a number of additional Options (the Reload Options) equal to the number of Exercised Options. The exercise price of the Reload Options will be the Current Fair Market Value. The Reload Options will vest over a period of four years, with 25% of the Reload Options vesting on each of January 1, 2007, January 1, 2008, January 1, 2009 and January 1, 2010.

SECTION 2.02. Additional Options.

(a) Promptly after execution by the Executive of the Stockholders Agreement, Parent will cause the Company to grant the Executive 14,182 additional Options (the Additional Options). The exercise price of the Additional Options will be the Current Fair Market Value. Subject to Section 2.02(b), the Additional Options will vest over a period of four years, with 25% of the Additional Options vesting on each of December 31, 2007, December 31, 2008, December 31, 2009 and December 31, 2010; provided, however, that such Additional Options shall not be exercisable unless and until the Companys Pre-Compensation Operating Income for any of the fiscal years ending December 31, 2009, December 31, 2010 or December 31, 2011 shall have been equal to or greater than a minimum performance standard, as established by the Chief Executive Officer and the Compensation Committee.

(b) Notwithstanding Section 2.02(a), in the event of the Executives (i) termination (other than termination for cause, which shall be defined as willful misconduct that remains uncured for more than sixty (60) days following written notice and results in material reputational or economic injury to the Company) or (ii) death or Disability, all of the Additional Options held by the Executive shall immediately vest and become exercisable by the Executive (or his estate).

SECTION 2.03. Future Grants.

(a) For each of 2006 through 2011, if Kaplan delivers Pre-Compensation Operating Income equal to or greater than special target amounts determined by the Chief Executive Officer and the Compensation Committee, Parent will cause the Company to issue to the Executive a number of shares of Common Stock valued at the dollar amount that

would otherwise have been paid to him as a cash bonus for Kaplans meeting the applicable special target level, based on the Fair Market Value thereof as of the date of issuance.

(b) The Executive shall be eligible for additional grants of Common Stock for each of 2006 through 2011, at the discretion of the Chief Executive Officer and the Compensation Committee, based upon truly exceptional performance by the Company in the preceding year, and in lieu of amounts that would otherwise have been paid to him as a cash bonus for such exceptional performance.

SECTION 2.04. Put Right; Stockholders Agreement. Executive shall have the right to put to the Company all shares of Common Stock held by the Executive, whether pursuant to the Initial Grant, any Future Grant, upon exercise of Options or otherwise, utilizing the procedures set forth in Section 6(k)(1) of the Stock Option Plan (Put Right), and as a result thereof the Executive shall have the right to sell any or all of such shares of Common Stock to the Company pursuant to, and in accordance with, such Section 6(k)(1). All such shares of Common Stock shall be subject to the terms and conditions of the Stockholders Agreement.

ARTICLE III

OTHER AGREEMENTS

SECTION 3.01. Non-Competition. For a period of three years from the date the Executives employment with the Company terminates, the Executive will not compete directly against any non-trivial business in which Parent and its subsidiaries are then engaged, which shall mean not participating actively in the management or supervision of a directly competing enterprise. The foregoing is not intended to prevent the Executive from working in the same lines of business as those in which Parent and its subsidiaries are also engaged (e.g., education, media) unless the competitive overlap with Parent and its subsidiaries is direct and substantial.

SECTION 3.02. No Solicitation. For a period of two years from the date the Executives employment by the Company terminates, the Executive will not solicit any then-current employees of the Company to join the Executive in another enterprise or activity.

SECTION 3.03. Interpretation. It is intended by the parties hereto that, in the event of the need for interpretation of Section 3.01 or 3.02, Parents appointed representative to discuss with Executive the interpretation of Section 3.01 or 3.02 shall be Mr. Donald E. Graham, for so long as Mr. Graham is a director of Parent and, thereafter, by a director of Parent chosen by the Executive. Such interpretation shall be made taking into account the purpose of Sections 3.01 and 3.02, which is not to penalize Executive, or

needlessly circumscribe Executives future, but to protect Parent and its subsidiaries from direct and material harm; Sections 3.01 and 3.02 shall not prevent the Executive from pursuing a normal business career because of de minimis conflicts.

ARTICLE IV

REPRESENTATIONS

Parent represents and warrants to the Executive, and the Executive represents and warrants to Parent, as follows:

SECTION 4.01. Authority; Execution and Delivery; Enforceability. Such party has full power and authority to execute this Agreement and to perform its obligations hereunder. In the case of Parent, the execution and delivery by Parent of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or similar action. Parent has duly executed and delivered this Agreement, and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 4.02. No Conflicts; Consents. The execution and delivery by such party of this Agreement do not, and the performance of its obligations hereunder will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any person under, or result in the creation of any mortgage, lien, security interest, charge, restrictions or encumbrances of any kind upon any of the properties or assets of such party under, any provision of (i) in the case of Parent, the certificate of incorporation or by-laws of Parent, (ii) any material contract, lease, license, indenture, agreement, commitment or other legally binding arrangement to which such party is a party or by which any of its properties or assets is bound or (iii) any material judgment, order or decree or material statute, law (including common law), ordinance, rule or regulation applicable to such party or its properties or assets. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Federal, state, local or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required to be obtained or made by or with respect to such party in connection with the execution, delivery and performance of this Agreement.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. Notices. All notices and other communications pursuant to this Agreement shall be dated and in writing and shall be given:

If to Parent, to it at the following address:

The Washington Post Company
1150 15th St., N.W.
Washington, D.C. 20071
Attention: Ann McDaniel
Facsimile: 202-334-1031

If to the Executive, to him at the following address:

Jonathan N. Grayer
160 West 86th Street, #3
New York, NY 10024
Facsimile: 212-492-5860

or to such other address as the party to whom notice is to be given may provide in a written notice to the Company, a copy of which written notice shall be on file with the Companys Secretary. Notice shall be effective when received.

SECTION 5.02. Applicable Law.

The laws of the State of New York shall govern the interpretation, validity and performance of the terms of this Agreement, regardless of the law that might be applied under principles of conflicts of laws.

SECTION 5.03. Integration. This

Agreement and the documents referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof, including the agreement between the Executive and Alan Spoon dated October 16, 1997 (except for paragraph (ii) thereof, which provides for eighteen months of salary and medical benefit continuation if the Executive is terminated prior to 2011, which shall survive).

SECTION 5.04. Descriptive Headings.

The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

SECTION 5.05. Severability.

The invalidity or unenforceability of any provisions of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of this Agreement, or any provision hereof, in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by law.

SECTION 5.06. Other Agreements.

Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of shares of Common Stock or other securities of the Company imposed by, any other agreement, if any.

SECTION 5.07. Successors, Assigns,

Transferees. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof may be transferred by the Executive without the prior written consent of Parent. Any purported transfer of rights under this Agreement in violation of this Section 5.07 shall be void and of no effect.

SECTION 5.08. Defaults. A default by any party to this Agreement in such party's compliance with any of the conditions or covenants hereof or performance of any of the obligations of such party hereunder shall not constitute a default by any other party.

SECTION 5.09. Amendments; Waivers. This Agreement may not be amended, modified or supplemented and no waivers of or consents to departures from the provisions hereof may be given unless consented to in writing by Parent and the Executive.

SECTION 5.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement.

SECTION 5.11. Exclusive Jurisdiction; Waiver of Jury Trial.

(a) Each party agrees to commence any action, suit or proceeding arising out of this Agreement in any Federal court sitting in the City of New York, New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in any New York State court situated within the City of New York. Each party irrevocably submits to the jurisdiction of such court for the purposes of any such suit, action or other proceeding. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 5.11. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in any Federal court in the City of New York, New York, or any New York State court situated within the City of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has

represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section 5.11(b).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE WASHINGTON POST COMPANY,

By

Name: Donald E. Graham

Title: Chief Executive
Officer and Chairman

Jonathan N. Grayer

STOCKHOLDERS AGREEMENT (this Agreement), dated as of June 5, 2006, among The Washington Post Company, a Delaware Corporation (Parent), Kaplan, Inc., a Delaware corporation (the Company), and Jonathan N. Grayer (the Stockholder).

WITNESSETH:

WHEREAS, the Stockholder has been awarded Shares (as defined below), and may in the future be awarded, or acquire through the exercise of options or otherwise, additional Shares;

WHEREAS, as of the date hereof, Parent owns all of the outstanding Shares that are not owned by the Stockholder; and

WHEREAS, the parties hereto wish to make provision relating to the ownership, voting and disposition by the Stockholder of the Shares owned by the Stockholder on the date hereof and from time to time hereafter.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings ascribed to them below:

Affiliate of any Person shall mean any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

Code shall mean the Internal Revenue Code of 1986, as amended.

Company Board shall mean the Board of Directors of the Company.

Compensation Committee shall mean the Compensation Committee of the Board of Directors of Parent.

Fair Market Value shall mean, as of any date, the value of the Shares determined as follows:

(i) if the Shares are listed on any established stock exchange or a national market system, including without limitation The Nasdaq National Market or The Nasdaq SmallCap Market or The Nasdaq Stock Market, their Fair Market Value shall be the mean between the high and low sale prices for the Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in The Wall Street Journal or such other source as the Company Board deems reliable, or if the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, their Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination; or

(ii) in the absence of an established

market for the Shares, the aggregate Fair Market Value thereof shall be determined at least once a year on or before the first day of February and at such other times as may be deemed appropriate by the Compensation Committee in its sole discretion. As part of its determination, the Compensation Committee shall (1) obtain and consider a professional appraisal of the value of the Company from an investment bank or from another entity capable of preparing such valuation; and (2) use or cause to be used methodologies such as those used by Goldman Sachs in its 1997 valuation of the Company, including a multiple of earnings, present value of future cash flows or such other established methodologies that value comparable enterprises as going concerns. However, both the recommendation of the professional appraisal and the result of the application of such methodologies shall only be advisory to the Compensation Committee and not determinative of the value of the Company. The Compensation Committee shall have the right, in its sole discretion, to retain and make use of any advisory assistance it deems necessary or desirable in preparing the valuations of the Company, including, but not limited to, the right to appoint a new appraiser. The Fair Market Value of each Share shall be determined by dividing the aggregate Fair Market Value by the number of then-outstanding Shares plus the number of Shares reserved for issuance under and pursuant to the terms of the Companys stock option plans.

Initial Public Offering shall mean a bona fide underwritten public offering of Shares as a direct result of which at least 35 of the aggregate voting common equity securities of the Company (calculated on a fully diluted basis taking into account the number of Shares reserved for issuance under and pursuant to the terms of the Companys stock option plans) will be beneficially owned by Persons other than Parent and its Affiliates (including all directors, officers and employees of Parent and its Affiliates).

Minority-Held Subsidiary shall mean a corporation, that is not a Subsidiary of the Company, whether now or hereafter existing, in an unbroken chain of corporations beginning with the Company, in which each of the corporations in the chain other than the last corporation in the chain owns stock possessing 20% or more of the issued and outstanding stock in one of the other corporations in such chain.

Minority-Held Subsidiary Employer shall mean the Minority-Held Subsidiary with respect to which the Stockholder becomes an employee, director, or both, immediately following the Stockholders termination of employment without cause from the Company, from a Subsidiary Employer, or from a Minority-Held Subsidiary other than the Minority-Held Subsidiary Employer, as the case may be.

Person shall mean any individual, corporation (including any non-profit corporation), general or limited partnership, cooperative, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity.

Securities Act shall mean the Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

Shares shall, as the case may be, mean (i)

shares of common stock, par value \$1.00 per share, of the Company, (ii) any other shares of capital stock of the Company and (iii) shares of any other capital stock or securities into which such shares of common stock or other shares of capital stock are reclassified or changed, including by reason of a merger, consolidation, share exchange, reorganization, recapitalization or similar transaction.

Subsidiary shall mean any subsidiary corporation, whether now or hereafter existing, as defined in Section 424(f) of the Code; provided, however, that 80% shall be substituted for 50% wherever 50% appears in such definition.

Subsidiary Employer shall mean the Subsidiary of the Company with respect to which the Stockholder becomes an employee, director, or both, immediately following the Stockholders termination of employment without cause from the Company, from a Subsidiary of the Company other than the Subsidiary Employer, or from a Minority-Held Subsidiary Employer, as the case may be.

ARTICLE II

TRANSFERS

SECTION 2.01. Restrictions on Transfers. The Stockholder shall not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (collectively, Transfer) any Shares, or solicit any offers to purchase or otherwise acquire or take a pledge of any Shares, other than by will or by the laws of descent and distribution. The provisions of this Section 2.01 shall not apply to any transaction contemplated by Section 2.05 or Article III hereof.

SECTION 2.02. Legend. Each certificate representing Shares held by the Stockholder shall bear substantially the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF, AND IN PARTICULAR MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXPRESSLY PERMITTED BY, AND COMPLIES WITH THE PROVISIONS OF, A STOCKHOLDERS AGREEMENT (THE AGREEMENT) (A COPY OF WHICH IS ON FILE WITH, AND MAY BE OBTAINED FROM, THE SECRETARY OF KAPLAN, INC. (TOGETHER WITH ITS SUCCESSORS, THE COMPANY)). THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF THE AGREEMENT.

IN ADDITION TO THE FOREGOING, THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS (A) SUCH DISPOSITION IS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (B) THE HOLDER HEREOF SHALL HAVE DELIVERED TO THE COMPANY AN OPINION OF COUNSEL,

WHICH OPINION OF COUNSEL SHALL BE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT SUCH DISPOSITION IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES OR BLUE SKY LAWS.

SECTION 2.03. Stop Transfers. The Stockholder agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate stop transfer instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. No Transfer of Shares in violation of this Agreement shall be made or recorded on the books of the Company and any such Transfer shall be void and of no effect.

SECTION 2.04. Transfers to the Company. Notwithstanding anything in this Agreement to the contrary, the Stockholder may at any time transfer all or a portion of his Shares to the Company (on the terms and conditions as may be agreed upon by the Stockholder and the Company) without complying with the provisions of this Article II.

SECTION 2.05. Repurchase Right Upon Termination of Employment. In the event that the Stockholder ceases to be employed by the Company, a Subsidiary Employer or a Minority-Held Subsidiary Employer (including by reason of death or disability), and at such time, the Stockholder (or his estate) holds Shares, the Company shall have the right for a period of 90 days following the effective date of any such termination of employment to repurchase all outstanding Shares held by the Stockholder (or his estate) for an amount equal to the then Fair Market Value of such Shares. The Company, in exercising its repurchase right, shall give the Stockholder (or his estate) written notice specifying (i) the number of Shares the Company is repurchasing and (ii) the Fair Market Value of such Shares (the Repurchase Notice). The Fair Market Value for purposes of the Company's exercise of its repurchase right hereunder shall be the Fair Market Value of the Shares as of the date of the Repurchase Notice as determined in good faith by the Compensation Committee. The purchase price for Shares repurchased by the Company shall be paid in cash.

ARTICLE III

DRAG-ALONG RIGHTS; BRING-ALONG RIGHTS, REGISTRATION RIGHTS

SECTION 3.01. Drag-Along Right.

(a) If Parent at any time proposes to sell or dispose of Shares representing more than 50% of the Shares then outstanding to any Person or Persons other than an Affiliate of Parent (such transferee Person or Persons are hereinafter referred to collectively as the Drag-Along Purchasers), Parent shall have the right (the Drag-Along Right) to require the Stockholder to sell or dispose to the Drag-Along Purchasers such number of outstanding Shares owned by the Stockholder determined in accordance with this Section 3.01 (a Drag-Along Disposition Transaction). Parent shall send a written notice (a Drag-Along Notice) to the Stockholder not less than 30 days

prior to the date upon which such sale or disposition is scheduled to close. Each Drag-Along Notice shall (i) specify in reasonable detail all the terms and conditions upon which such sale or disposition is to occur and (ii) make reference to this Section 3.01 and state that the Stockholder is obligated to sell or dispose of its Drag-Along Shares (as defined below) pursuant to such sale.

(b) In connection with any Drag-Along Disposition Transaction, (i) the Stockholder shall be required to sell or dispose of the number of remaining Shares (the Drag-Along Shares), requested by Parent; provided, however, that the percentage of the total number of remaining Shares then owned by the Stockholder represented by such Drag-Along Shares shall be equal to the percentage of the total number of outstanding Shares then owned by Parent to be sold by Parent. Unless the Stockholder agrees otherwise, the Stockholder shall receive as consideration upon such sale or disposition for his Shares the same type of consideration and the same amount of consideration per share and on the same terms and conditions as are applicable to the Shares to be sold by Parent. The Stockholder shall agree to the same covenants, representations and warranties as Parent agrees to in connection with the proposed sale. To the extent the Stockholder is required to provide indemnification in connection with the Drag-Along Disposition Transaction, the monetary indemnification obligations of the Stockholder shall be limited to the fair market value of the cash, property and other assets received by the Stockholder in such Drag-Along Disposition Transaction; provided, however, that this limitation shall not apply in respect of any representations, warranties or covenants that are personal in nature to the Stockholder (e.g., title to Shares being transferred).

(c) Each of Parent and each Drag-Along Purchaser shall have the right, in its sole discretion, at all times prior to consummation of the proposed Drag-Along Disposition Transaction, to abandon or otherwise terminate such transaction, and neither Parent nor any Drag-Along Purchaser shall have any liability or obligation to the Stockholder with respect thereto by virtue of such abandonment or termination; provided, however, that the Company shall promptly pay to the Stockholder his reasonable out-of-pocket costs and expenses (if any) incurred in connection with the transaction through the date of abandonment or termination thereof.

SECTION 3.02. Bring-Along Rights.

(a) If the Company Board approves the sale of the Company to another entity (whether by a merger, consolidation, share exchange, reorganization, recapitalization or similar transaction) (an Approved Sale), then (i) the Stockholder shall not raise dissenter or appraisal rights with respect to the Approved Sale, and (ii) if the Approved Sale is structured as a sale of capital stock, the Stockholder shall sell all remaining Shares held by the Stockholder, on the terms and conditions approved by the Company Board. The Stockholder shall

promptly take all actions as the Company Board shall deem necessary and appropriate in connection with the consummation of the Approved Sale. In the event of an Approved Sale, the Stockholder, unless he expressly (i.e. other than by operation of clause (i) of this Section 3.02(a)) agrees otherwise pursuant to the terms of the Approved Sale, shall receive as consideration upon such Approved Sale for his Shares the same type of consideration and the same amount of consideration per Share as shall be received by Parent in connection with such Approved Sale; provided, however, that in any Approved Sale to a Person who is not an Affiliate of Parent, Parent may retain 10% or less of the Shares held by Parent or receive a different type of consideration than the Stockholder in respect of 10% or less of the Shares held by Parent in circumstances the Company Board determines necessary for the Approved Sale to be accounted for in the manner requested by the purchaser of the Company in such Approved Sale.

(b) If the Company Board desires to consummate an Approved Sale, the Company Board shall provide a written notice to the Stockholder, which notice shall describe the proposed transaction in summary terms and, if the Approved Sale is structured as a sale of Shares, contain the price, terms and conditions of the sale of Shares by the Stockholder to the entity to which such Shares are to be sold. Upon not less than five business days request, the Stockholder shall enter into (i) a binding agreement with the entity to which such Shares are to be sold to sell to such entity all of his Shares, free and clear of all liens, charges, pledges, security interests and encumbrances and at the price and on the terms contained in said notice and (ii) any binding interseller agreement relating to such Approved Sale that the Company Board may approve, which agreements may provide for escrows, holdbacks, expense reimbursement and other purchase price reductions or deferrals that apply pro rata to all sellers. To the extent the Stockholder is required to provide indemnification in connection with any Approved Sale, the monetary indemnification obligations of the Stockholder shall be limited to the fair market value of the cash, property and other assets received by the Stockholder in the Approved Sale; provided, however, that this limitation shall not apply in respect of any representations, warranties or covenants that are personal in nature to the Stockholder (e.g., title to Shares being transferred).

(c) The Stockholder shall bear his pro rata share of the fees and expenses incurred by the Company and Parent in the Approved Sale.

SECTION 3.03. Piggyback Rights

In the event of an Initial Public Offering, the Stockholder shall have the right to request registration of the Shares for sale in connection with an underwritten registered Initial Public Offering. However, the Company shall not be obligated to take any action to effect any registration of Stockholders Shares if, at the time of the request, the managing underwriters advise the Company in good faith and in writing

that such inclusion would adversely affect the underwriters ability to market the shares included in the registration statement. If the Stockholders Shares are not registered in connection with an Initial Public Offering due to advice from the managing underwriter of such shares, until such date as the Shares are registered, the Stockholder shall continue to have the right to put the Shares to the Company at the per share price of the publicly traded stock. Stockholder agrees to execute any customary agreements and certificates required by the underwriters in connection with any such underwritten registered initial public offering.

ARTICLE IV

VOTING; WAIVER OF RIGHTS

SECTION 4.01. Proxy; Voting. The Stockholder has, simultaneously with the execution of this Agreement, granted Parent a proxy to vote and provide consent with respect to the Stockholders Shares as to all matters presented to the stockholders of the Company for voting or consent, including the election of directors, substantially in the form of Exhibit A attached hereto. If at any time such proxy shall not be in full force and effect for any reason other than termination of this Agreement pursuant to Section 6.14, the Stockholder shall vote or cause to be voted, and provide or cause to be provided consent with respect to, all Shares held of record by him or over which he has voting control, in each case as directed by Parent with respect to all matters presented to the stockholders of the Company for voting or consent.

SECTION 4.02. Management of the Business of the Company. The Stockholder (i) acknowledges and agrees that Parent, by virtue of its majority ownership of the capital stock of the Company, controls the management of the business and affairs of the Company (including with respect to any sale or initial public offering of the Company), (ii) acknowledges and agrees that Parent shall not be liable to the Stockholder for any action taken in connection with its management of the business and affairs of the Company and (iii) hereby irrevocably waives, to the fullest extent permitted by law, any and all rights, claims or remedies against Parent in respect of any duties (including fiduciary duties), whether in equity or at law (including any fiduciary duties that a majority stockholder may have to a minority stockholder), to the Stockholder, whether arising from Parents and the Stockholders ownership of capital stock of the Company or otherwise. The Stockholder acknowledges and agrees that Parents practice has been to borrow money from the Company on a regular basis on terms previously disclosed to the Stockholder. Without limiting the generality of the foregoing, the Stockholder acknowledges and agrees that the Stockholder has no rights, claims, or remedies against Parent in respect of any duties (including fiduciary duties), whether in equity or at law (including any fiduciary duties that a majority stockholder may have to a minority stockholder), to the extent that the Parent continues such practice.

ARTICLE V

REPRESENTATIONS

Each of Parent and the Company represents and warrants to the Stockholder, and the Stockholder represents and warrants to each of Parent and the Company, as follows:

SECTION 5.01. Authority; Execution and Delivery; Enforceability. Such party has full power and authority to execute this Agreement and to perform its obligations hereunder. In the case of any party that is a corporation, the execution and delivery by such party of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or similar action. Such party has duly executed and delivered this Agreement, and this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 5.02. No Conflicts; Consents. The execution and delivery by such party of this Agreement do not, and the performance of its obligations hereunder will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancelation or acceleration of any obligation or to loss of a material benefit under, or to increased, additional, accelerated or guaranteed rights or entitlements of any person under, or result in the creation of any mortgage, lien, security interest, charge, restrictions or encumbrances of any kind upon any of the properties or assets of such party under, any provision of (i) in the case of any party that is a corporation or other legal entity, the certificate of incorporation, by-laws or similar organizational document of such party, (ii) any material contract, lease, license, indenture, agreement, commitment or other legally binding arrangement to which such party is a party or by which any of its properties or assets is bound or (iii) any material judgment, order or decree or material statute, law (including common law), ordinance, rule or regulation applicable to such party or its properties or assets. No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Federal, state, local or foreign government or any court of competent jurisdiction, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required to be obtained or made by or with respect to such party in connection with the execution, delivery and performance of this Agreement.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Notices. All notices and other communications provided for herein shall be dated and in writing and shall be given:

If to Parent, to it at the following address:

The Washington Post Company
1150 15th St., N.W.

Washington, D.C. 20071
Attention: Ann McDaniel
Facsimile: 202-334-1031

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attention: Ronald Cami
Facsimile: 212-474-3700

If to the Stockholder, to him at
the following address:

Jonathan N. Grayer
160 West 86th Street, #3
New York, NY 10024
Facsimile: 212-492-5860

If to the Company, to it at the
following address:

Kaplan, Inc.
888 Seventh Avenue
New York, NY 10106
Attention: Johan de Muinck Keizer,
General Counsel
Facsimile: 212-489-2301

or to such other address as the party to
whom notice is to be given may provide
in a written notice to the Company, a
copy of which written notice shall be
on file with the Companys Secretary.
Notice shall be effective when received.

SECTION 6.02. Applicable Law. The
laws of the State of New York shall govern the
interpretation, validity and performance of the
terms of this Agreement, regardless of the law
that might be applied under principles of
conflicts of laws.

SECTION 6.03. Integration. This
Agreement and the documents referred to
herein or delivered pursuant hereto which
form a part hereof contain the entire
understanding of the parties with respect
to the subject matter hereof. This
Agreement supersedes all prior agreements
and understandings between the parties with
respect to the subject matter hereof.

SECTION 6.04. Descriptive Headings.
The headings in this Agreement are for
convenience of reference only and shall
not limit or otherwise affect the meaning
of terms contained herein.

SECTION 6.05. Severability. The
invalidity or unenforceability of any
provisions of this Agreement in any
jurisdiction shall not affect the validity,
legality or enforceability of the remainder
of this Agreement in such jurisdiction or
the validity, legality or enforceability
of this Agreement, or any provision hereof,
in any other jurisdiction, it being
intended that all rights and obligations
of the parties hereunder shall be enforceable
to the fullest extent permitted by law.

SECTION 6.06. Other Agreements.
Nothing contained in this Agreement shall
be deemed to be a waiver of, or release
from, any obligations any party hereto
may have under, or any restrictions on
the Transfer of Shares or other securities
of the Company imposed by, any other

agreement, if any.

SECTION 6.07. Successors, Assigns, Transferees. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof may be transferred by the Stockholder without the prior written consent of Parent and the Company. Any purported transfer of rights under this Agreement in violation of this Section 6.07 shall be void and of no effect.

SECTION 6.08. Defaults. A default by any party to this Agreement in such party's compliance with any of the conditions or covenants hereof or performance of any of the obligations of such party hereunder shall not constitute a default by any other party.

SECTION 6.09. Amendments; Waivers. This Agreement may not be amended, modified or supplemented and no waivers of or consents to departures from the provisions hereof may be given unless consented to in writing by Parent, the Company and the Stockholder.

SECTION 6.10. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same Agreement.

SECTION 6.11. Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching parties would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof without the necessity of proving actual damages or securing or posting any bond or providing prior notice.

SECTION 6.12. Exclusive Jurisdiction; Waiver of Jury Trial. (a) Each party agrees to commence any action, suit or proceeding arising out of this Agreement in any Federal court sitting in the City of New York, New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in any New York State court situated within the City of New York. Each party irrevocably submits to the jurisdiction of such court for the purposes of any such suit, action or other proceeding. Each party further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth above shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction in this Section 6.12. Each party irrevocably and unconditionally waives any objection to the

laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in any Federal Court in the City of New York, New York, or any New York State court situated in the City of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation arising out of or relating to this Agreement. Each party (i) certifies that no representative, agent or attorney of another party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications set forth above in this Section 6.12(b).

SECTION 6.13. Recapitalization, Exchanges, etc., Affecting Shares. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Shares, to any and all securities of the Company or any successor or assign of the Company (whether by merger, share exchange, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for or in substitution of the Shares, by reason of any stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, merger, consolidation or otherwise. Upon the occurrence of any of such events, amounts hereunder shall be appropriately adjusted.

SECTION 6.14. Termination. The rights and obligations of the parties hereto shall automatically terminate upon the earlier of (i) the consummation of an Initial Public Offering and (ii) the consummation of any merger, consolidation, share exchange, reorganization, recapitalization or similar transaction involving the Company, if Parent does not own, directly or indirectly, at least a majority of the voting power of the surviving entity after giving effect to such transaction; provided, however, that (A) the provisions of Section 3.03 and Article VI shall survive any such termination under clause (i) above until the occurrence of an event described in clause (ii) above, (B) in connection with any Transfer by the Stockholder after such Initial Public Offering (1) such Transfer shall be pursuant to an effective registration statement under the Securities Act and shall be registered under all applicable state securities or blue sky laws or (2) such Transfer shall meet an available exemption from registration under the Securities Act and all applicable state securities or blue sky laws, and (C) an outstanding Repurchase Notice shall survive any termination under clause (i) above if received by the Stockholder prior to the date of such termination.

IN WITNESS WHEREOF, the parties

hereto have executed this Agreement as of the date first above written.

THE WASHINGTON POST COMPANY,
by

Name: Donald E. Graham

Title: Chief Executive Officer and
Chairman

KAPLAN, INC.,
by

Name: Gerald M. Rosberg

Title: Senior Vice President

Jonathan N. Grayer

EXHIBIT A

IRREVOCABLE PROXY

I, the undersigned, pursuant to Section 212 of the Delaware General Corporation Law, hereby irrevocably appoint The Washington Post Company (Parent), a Delaware corporation, as attorney and proxy for the undersigned, to vote, and to provide consent, as to any matters presented to the stockholders of Kaplan, Inc., a Delaware corporation (the Company), for voting or consent, including the election of directors, with respect to the total number of shares of common stock, par value \$1.00 per share, of the Company owned by the undersigned on the date hereof and any shares of common stock or any other capital stock of the Company acquired by the undersigned from time to time subsequent to the date hereof (collectively, the Shares); and to attend any and all meetings, and adjournments thereof, of the stockholders of the Company called for the purpose of voting or providing consent as to any such matters; and to represent and otherwise to act for the undersigned in the same manner and with the same effect as if such action were taken by the undersigned.

The undersigned hereby revokes any previous proxies with respect to the Shares which are the subject of this irrevocable proxy. This proxy is irrevocable, coupled with an interest and has been granted pursuant to the Stockholders Agreement, dated as of June 5, 2006, among Parent, the Company and the undersigned (the Stockholders Agreement). This proxy shall not terminate until such time as the Stockholders Agreement has terminated in accordance with the terms thereof.

The undersigned authorizes the attorney and proxy appointed herein to substitute any other Person to act hereunder, to revoke any such substitution and to file this proxy or any substitution or revocation with the Secretary of the Company.

IN WITNESS WHEREOF, the undersigned has executed this proxy this 5th day of June 2006.

Name: Jonathan N. Grayer

Address: 160 West 86th Street, #3
New York, NY 10024