GRAHAM HOLDINGS COMPANY

CORPORATE GOVERNANCE GUIDELINES

(effective March 4, 2004)

The Board of Directors (the “Board”) of Graham Holdings Company (the “Company”), have adopted the following guidelines to provide a framework for the governance of the Company. The Board will review and amend these guidelines as it deems necessary and appropriate.

On behalf of the Company’s shareholders, the Board is responsible for overseeing the activities of the Company so as to build long-term shareholder value. The Board acts as the ultimate decision-making body of the Company, except on those matters reserved to or shared with the shareholders of the Company. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

The Board has the authority to hire independent legal, financial or other advisors as it may deem to be necessary.

1. Director Qualifications

In choosing directors, the Company seeks individuals of the highest personal and professional ethics, integrity and business acumen, who are committed to representing the long-term interests of its shareholders. The Company gives consideration to diversity, skills and experience in the context of the needs of the Board. It also seeks directors who are “independent” according to the criteria for independence established by Section 303A of the New York Stock Exchange Listing Company Manual. (As a “controlled company,” the Company is exempt from the requirement that a majority of the directors be “independent.” However, while not a requirement, a majority of the Company’s directors are “independent” within the meaning of Section 303A.)

2. Board Committees.

The Board has the following standing committees: (i) Audit, (ii) Compensation, (iii) Finance and (iv) Executive.

Members of the Audit Committee must be “independent” and may not directly or indirectly accept any consulting, advisory or other compensatory fee (other than pension or other forms of deferred compensation for prior service which is not contingent in any way on continued service) from the Company or its affiliates and none of the members of the Audit Committee may have a material relationship with the Company.

The chairman of each committee, in consultation with the committee members, determines the frequency and the agenda of committee meetings, consistent with the committee's charter and the Company's needs.

Each committee has the authority to hire at the expense of the Company independent legal, financial or other advisors as it deems necessary.

3. Board Size

The Board presently has 11 members (2 management and 9 non-management). Under the By-Laws of the Company, the Board has the authority to change its size as appropriate.

4. Term Limits

The Board has not established limits on the number of terms a director may serve prior to his or her 75th birthday. Unless a director is a holder of Class A Stock or has dispositive power over at least fifteen (15%) percent of Class B Common Stock of the Company (as adjusted in the event of any change or changes in the outstanding shares of Common Stock by reason of any stock dividend, split-up, recapitalization, combination or exchange of shares, merger consolidation, separation, reorganization liquidation or the like, and including the shares of Class B Stock issuable upon conversion of all shares of Class A Common Stock outstanding), no director may be nominated to a new term if he or she would be age 75 or older at the time of the election.

5. Attendance at Meetings

Directors are expected to attend Board meetings and meetings of the committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

6. **Board Meetings**

The Chairman of the Board is responsible for establishing the agenda for each Board meeting. Each director is free to suggest items for inclusion on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting. At least once a year, the Board reviews the Company's long-term plans and the principal issues that the Company will face in the future.

Information and data that are important to a director's understanding of the business to be conducted at a Board or committee meeting are generally distributed in riting for review by directors before a meeting.

7. Executive Session

The non-management directors meet in executive session (i.e., without directors who are members of management) periodically. The name of the presiding director is set out in the Company's annual proxy statement.

8. Communicating with Directors

The Company also discloses in its annual proxy statement the means by which shareholders and employees can communicate with directors.

9. Access to Officers and Employees

The Board has full and free access to officers and employees of the Company.

10. Director Compensation

Only non-employee directors receive payment for serving on the Board. Changes in the form and amount of director compensation are determined by the full Board, taking into account the amount of work and responsibility assumed by directors, the need for independence and other considerations the Board deems relevant.

11. Orientation and Continuing Education

All new directors are invited to participate in an orientation program, including presentations by senior management to familiarize new directors with the Company's plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. The directors receive materials or briefing sessions either before or during each Board meeting and committee meeting on the businesses of the Company. Between meetings, the directors are in frequent communication with the executive management of the Company on matters relating to every major aspect of the Company's business.

12. Management Review and Succession

Assuring that the Company has the appropriate executive management is one of the Board's primary responsibilities. The Compensation Committee makes an annual evaluation of the performance of the Chairman and Chief Executive Officer of the Company. The evaluation is based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives, and development of management. The evaluation is used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chairman and Chief Executive Officer.

The Chief Executive Officer reports annually to the Compensation Committee on executive management succession planning and makes available, on a continuing basis, his recommendation on succession in the event he were unexpectedly disabled or unable to perform his duties..

13. Annual Performance Evaluation

The Board conducts an annual self-evaluation to determine whether the Board and its committees are functioning effectively. The Compensation Committee solicits comments from each member of the Board on the effectiveness of the Board and at least once a year reports to the full Board on the Board's performance.

14. Public Disclosure of Corporate Governance Policies

The Company posts on its website copies of the current version of these guidelines, the Company's Code of Business Conduct and Ethics and the charters of the Audit Committee and the Compensation Committee of the Board, and discloses in its annual report that such information is available on its website or in print to any shareholder that requests it.

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