

Build-A-Bear Workshop, Inc.

CORPORATE GOVERNANCE GUIDELINES

1. The Board of Directors of the Company (the “Board”) is elected by shareholders to provide oversight and strategic guidance to senior management. The core responsibility of the Board is to exercise its fiduciary duty to act diligently and in the best interests of the Company’s shareholders and other constituencies. The Board selects and oversees the members of senior management, to whom the Board delegates the authority and responsibility for the conduct of the day-to-day operations of the Company.
2. A majority of the Directors of the Company will be “independent directors,” as defined by the New York Stock Exchange (and/or any other national securities exchange on which the Company’s shares may be listed from time to time). Annually, the Board will affirmatively determine that each independent Director has no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has such a relationship with the Company. The Board will use the Independence Standards attached hereto as Exhibit A in making such independence determinations.
3. All members of the Company’s Audit Committee shall meet the heightened independence criteria set forth in Exhibit B hereto, in addition to the general independence standards set forth in Exhibit A.
4. Directors are expected to attend a minimum of 75% of regularly scheduled Board (and, where applicable, committee) meetings each year, either in person or by conference telephone, and to review in advance the meeting materials provided for the meeting.
5. Director compensation is reviewed periodically by the Nominating and Corporate Governance Committee. Director compensation is adjusted periodically based on competitive factors and other considerations. All non-management Board members shall adhere to the Company’s stock ownership policy for non-management Board members described in Exhibit C.
6. All Directors shall have the opportunity to confer individually with members of management and, when appropriate, with the Company’s independent advisors. The Board and the committees thereof shall have the right to retain, at Company expense, their own independent advisors when they deem such advisors necessary or appropriate, in the Board or committee’s sole discretion.
7. The Board shall elect a non-management Director to serve in a lead capacity as Non-Executive Chairman, who shall be generally expected to serve for three years, subject to his or her removal, resignation, retirement or failure to be reelected as a Director of the Company. The Non-Executive Chairman shall have a dual responsibility, serving as both the Chair of the Board and a partner to the Chief Executive Officer in the development and execution of the Company’s strategic direction. The specific goals and duties of the Non-Executive Chairman in fulfilling those responsibilities shall be set forth in a charter adopted by the Board.

8. The non-management Directors will meet in executive session, without management present, prior to or following each meeting of the Board. If any of the non-management Directors are not independent, the independent, non-management Directors shall meet at least once annually. The Non-Executive Chairman will preside at such executive sessions, and the name of the Non-Executive Chairman will be disclosed in the annual proxy statement, along with a method by which shareholders may communicate with him or her.
9. Directors and candidates for election as Director may not stand for election or reelection after attaining the age of 73.
10. In general, Directors who also serve as CEOs or in equivalent positions should not serve on more than two (2) boards of public companies in addition to the Board, and other Directors should not serve on more than three (3) other boards of public companies in addition to the Board, unless the Board determines that doing so would not impair the Director's service on the Board. Directors shall give the Board notice prior to accepting a position as a director of another public company even if after accepting such position the Director would still be below the limit set forth above.
11. The Board and each committee thereof will complete an annual performance self-evaluation and submit it to the Nominating and Corporate Governance Committee. Such evaluation will include a review of committee charters to determine whether any amendment of such charters would be appropriate.
12. The Nominating and Corporate Governance Committee will oversee annual performance evaluations of the Board and management.
13. Management, working with the Nominating and Corporate Governance Committee, will prepare an orientation process for new Directors, including background material on the Company and its business and, as appropriate, arrange for Directors to attend additional continuing education sessions for Directors on matters relevant to the Company and its business.
14. The Board is regularly briefed by the Non-Executive Chairman and the Chief Executive Officer on Director and senior management succession planning. The entire subject of management development is discussed at these meetings, including Chief Executive Officer selection and performance review and policies regarding succession in the event of an emergency or the resignation, incapacity or retirement of the Chief Executive Officer.
15. The Charters of the Audit, Compensation and Development, and Nominating and Corporate Governance Committees, the Business Conduct Policy, the Code of Ethics Applicable to Senior Executives, the Senior Executive Stock Ownership and Retention Guidelines, and these Corporate Governance Guidelines will be included in the Company's website.
16. Directors, officers and employees are expected to observe and comply with the Company's Business Conduct Policy and, where applicable, the Code of Ethics Applicable to Senior Executives.

17. Pursuant to their fiduciary duties of loyalty and care, Directors are required to maintain the confidentiality of all information regarding proceedings and deliberations of the Board (“Confidential Board Information”) and all material, non-public information regarding the Company and its officers, directors, and affiliates (“Confidential Company Information”) that the Director learns in his or her capacity as a member of the Company’s Board, except with the authorization of the Board or as may be otherwise required by law. Directors may not use Confidential Board Information or Confidential Company Information for their personal benefit or for the benefit of persons or entities outside of the Company, or in violation of any law or regulation, including insider trading laws and regulations.
18. To function effectively, the Board must speak with one voice. Towards this end, individual Directors should not respond to requests for comment from the media or have discussions with the media, shareholders, or other stakeholders, and should refer any inquiries from those sources to the Company’s Chief Executive Officer or in his or her absence, to the Chair of the Board or the lead director.

Exhibit A

Build-A-Bear Workshop, Inc. Director Independence Standards

In order to be considered independent under the rules of the New York Stock Exchange, the Board of Directors (the “Board”) must affirmatively determine that a director does not have any direct or indirect material relationship with Build-A-Bear Workshop, Inc., after broadly considering all relevant facts and circumstances. (the “Company”). The Board has established the following guidelines to assist it in determining Director independence under the NYSE rules. Any Director who meets the following standards will be deemed independent by the Board:

1. The Director is or was not employed by the Company, and no immediate family member as that term is defined under the rules of the New York Stock Exchange (and/or any other national securities exchange on which the Company’s shares may be listed from time to time) of the Director is or was employed by the Company as an executive officer, within the preceding three years;
2. The Director is not, and no immediate family member of the Director is, a current partner of a firm that is the Company’s internal or external auditor, or within the last three years has been a partner or employee of such a firm and personally worked on the Company’s audit within that time;
3. The Director is not currently employed by the Company’s internal or external auditor;
4. No immediate family member of the Director is a current employee of the Company’s internal or external auditor and personally works on the Company’s audit;
5. Neither the Director nor any immediate family member of the Director is or within the last three years has been employed as an executive officer by another company for which any executive officer of the Company at the same time serves or served as a member of such other company’s compensation committee;
6. Neither the Director, nor any member of the Director’s immediate family received during any twelve-month period within the Company’s last three fiscal years direct compensation in excess of \$120,000 from the Company other than regular Director compensation, pension and other deferred payments that are not in any way contingent on continued service to the Company and compensation received by an immediate family member for service as a non-executive officer of the Company;
7. Neither the Director nor any member of the Director’s immediate family member is an executive officer or an employee of, another organization that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years was less than the greater of 2% of the annual consolidated gross revenues of such company, or \$1,000,000;
8. The Director is not an executive officer of another organization which is indebted to the Company, or to which the Company is indebted, the total amount of either company’s indebtedness to the other is less than 2% of the total consolidated assets of the company where the Director serves as an executive officer;
9. The Director is not a director, executive officer or greater than 10% owner of an entity that is, a paid advisor, paid consultant or paid provider of professional services to the Company, any

member of the Company's senior management or any immediate family member of a member of the Company's senior management, the amount of such payments is less than the greater of 2% of such firm's annual revenues or \$1,000,000 during the Company's current fiscal year;

10. The Director is not a partner, principal or counsel in a law firm that provides professional services to the Company, the amount of payments for such services in each of the last three fiscal years is less than the greater of 2% of such law firm's annual revenues, or \$1,000,000;
11. The Director does not serve as an officer, director or trustee of a charitable organization to which the Company makes contributions: (i) within the preceding three years, the Company's discretionary contributions in any single fiscal year to such organization are less than the greater of 2% of such organization's consolidated gross revenues, or \$1,000,000; (ii) the Company's contributions are normal matching charitable gifts and similar programs available to all employees and independent directors; or (iii) the charitable donation goes through the normal corporate charitable donation approval processes, and is not made "on behalf of" a Director;
12. The Director's ownership of Company stock, direct or indirect, is less than 20% of the total outstanding Company stock;
13. The Director is not affiliated with, or provides services to, an entity in which the Company has an ownership interest, such ownership interest is less than 20%; and
14. Any other relationship between the Director and the Company not covered by the standards set forth above is an arrangement that is usually and customarily offered to customers of the Company.

If any relationship exists between the Company and any Director that is not addressed by the standards set forth above, the Directors meeting these standards shall determine whether such relationship impairs the independence of such Director.

Exhibit B

Fees for service as a member of the Board of Directors or the committees thereof are the only compensation which members of the Audit Committee may receive from the Company. Audit Committee members may not receive, directly or indirectly, any fees for services as a consultant or legal or financial advisor; provided that compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service). Disallowed compensation includes compensation paid to a Director's spouse, children or stepchildren, parents or stepparents, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law, or any person (other than a tenant or employee) sharing a home with the Director. Disallowed compensation also includes compensation paid to a firm in which a Director is a partner, member or executive officer or other officer holding a similar position, and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or a subsidiary, even if the Director is not the actual service provider.

No member of the Audit Committee may be an "affiliated person" of the Company or any subsidiary, as such term is defined by the SEC.

Exhibit C

BUILD-A-BEAR WORKSHOP, INC.

Non-Management Director Stock Ownership and Retention Guidelines

I. Purpose

The Board of Directors (the “Board”) of Build-A-Bear Workshop, Inc. (the “Company”) believes that ownership of Company stock by the Company’s non-management directors (the “Directors”) demonstrates a commitment to the long-term profitability of the Company. Accordingly, the Board has adopted these Non-Management Director Stock Ownership and Retention Guidelines (“Guidelines”) for the Director which require the Directors to acquire and maintain a minimum level of ownership in Company stock.

II. Effective Date

The effective date (the “Effective Date”) of these Guidelines, as revised, is November 17, 2010.

III. Ownership Guidelines

Each Director is required to own shares of the Company’s common stock having a value equal to the dollar amount of three times (3X) such Director’s annual cash retainer for Board membership. Each Director is required to comply with these Guidelines no later than three (3) years following the Effective Date, or (ii) with respect to Directors elected or appointed as a Director following the Effective Date, three (3) years following the date of such election or appointment.

IV. Compliance with these Guidelines

The Director’s annual cash retainer for Board membership, for purposes of determining compliance, shall be the actual cash retainer paid to the Director for service on the Board and shall exclude additional retainer fees paid for service as Non-Executive Chairman or Chairman of a Board committee.

Shares that count toward satisfaction of these Guidelines include:

- Shares owned outright by the Director or his or her immediate family members who share the same household, whether held individually or jointly or by an entity wholly owned by the Director or his or her immediate family member;
- Restricted stock where the restrictions are subject to time based vesting only; and
- Shares beneficially owned in a trust; *provided, however*, that due to the complexities of trust accounts, requests to include shares held in trust must be submitted in writing to the Nominating and Corporate Governance Committee, which will review the request and make the final decision regarding inclusion of such stock for purposes of meeting these Guidelines.

Any open market transaction involving Company stock must be made during an open trading window and with preclearance from the General Counsel in accordance with the Company’s Insider Trading Policy.

For purposes hereof, the value of a share of the Company’s common stock for all equity compensation awards shall be the actual market value.

V. Effect of Noncompliance and Stock Retention Requirement

A Director who is not in compliance with the Ownership Guidelines set forth above may not sell any shares of Company stock until he or she reaches the applicable minimum holding requirement. Thereafter, a Director may sell shares of Company stock provided his or her stock ownership immediately following such sale meets or exceeds the applicable minimum holding requirement. For the purposes of these Guidelines, the withholding of shares to pay the exercise price in connection with a stock option exercise, will not be considered a sale of Company stock. Upon approval of the Nominating and Corporate Governance Committee, a Director may be granted an exception to these Guidelines, although it is expected that these instances will be rare. In these instances, the Director must submit a request in writing to the Nominating and Corporate Governance Committee that summarizes the circumstances and describes the extent to which an exemption from these Guidelines is being requested. The Nominating and Corporate Governance Committee will make the final decision as to developing an alternative stock ownership guideline for such Director that balances the intention of these Guidelines with his or her personal circumstances.

VI. Administration

These Guidelines do not apply to Emeritus Board members and are administered and interpreted by the Nominating and Corporate Governance Committee. Compliance with this policy shall be determined by the Nominating and Corporate Governance Committee no less than once each year. Any instances of non-compliance will be reviewed by the Nominating and Corporate Governance Committee for appropriate action.

VII. Amendments

These Guidelines may be amended from time to time by the Board.