

## BUILD-A-BEAR WORKSHOP, INC.

### Senior Executive 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 C-Level Employees (the “**Senior Executives**”) demonstrates a commitment to the long-term profitability of the Company. Accordingly, the Board has adopted these Stock Ownership and Retention Guidelines (“**Guidelines**”) for the Senior Executives which require the Senior Executives 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 Senior Executive is required to own shares of the Company’s common stock having a value equal to the dollar amount of the applicable multiple of such Senior Executive’s base salary, as set forth in the table below. Each Senior Executive is required to comply with these Guidelines no later than three (3) years following the Effective Date, or (ii) with respect to Senior Executives appointed as a Senior Executive following the Effective Date, three (3) years following the date of such appointment.

<u>Position</u>	<u>Multiple of Base Salary</u>
President and Chief Executive Officer	Five times (5X)
All Senior Executives Other Than the President and Chief Executive Officer	One time (1X)

#### IV. Compliance with these Guidelines

The Senior Executive’s salary, for purposes of determining compliance, shall be the actual salary paid to the Senior Executive at any given time, inclusive of any raises or promotions.

Shares that count toward satisfaction of these Guidelines include:

- Shares owned outright by the Senior Executive 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 Senior Executive 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 Compensation and Development 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 Senior Executive 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 Senior Executive may sell shares of Company stock provided his or her stock ownership immediately following such sale meet or exceed the applicable minimum holding requirement. For the purposes of these Guidelines, the withholding of shares to (i) satisfy income tax withholding associated with a stock option exercise or restricted stock vesting, or (ii) pay the exercise price in connection with a stock option exercise, will not be considered a sale of Company stock. Upon approval of the Compensation and Development Committee, a Senior Executive may be granted an exception to these Guidelines, although it is expected that these instances will be rare. In these instances, the Senior Executive must submit a request in writing to the Compensation and Development Committee that summarizes the circumstances and describes the extent to which an exemption from these Guidelines is being requested. The Compensation and Development Committee will make the final decision as to developing an alternative stock ownership guideline for a Senior Executive that balances the intention of these Guidelines with his or her personal circumstances.

#### **VI. Administration**

These Guidelines are administered and interpreted by the Compensation and Development Committee. Compliance with this policy shall be determined by the Compensation and Development Committee no less than once each year. Any instances of non-compliance will be reviewed by the Compensation and Development Committee for appropriate action.

#### **VII. Amendments**

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