

LEAPFROG ENTERPRISES, INC.
CORPORATE GOVERNANCE GUIDELINES
AMENDED AND RESTATED BY THE BOARD OF DIRECTORS AS OF JULY 27, 2011

The Board of Directors (the “**Board**”) of **LEAPFROG ENTERPRISES, INC.** (the “**Company**”) has established the following guidelines (“**Governance Guidelines**”) as the Company’s corporate governance guidelines. These Governance Guidelines, along with the Company’s Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (the “**Bylaws**”) and the charters of the Board committees, provide the framework for the governance of the Company. The Governance Guidelines are intended to assist the Board in the exercise of its responsibilities. As the operation of the Board is a dynamic process, with the aid of the Nominating and Corporate Governance Committee, the Board will review these Governance Guidelines periodically and may make changes from time to time.

1. BOARD COMPOSITION AND SELECTION

1.1 Size of the Board

The number of directors shall be established by the Board in accordance with the Bylaws of the Company. The Board periodically reviews the appropriate size of the Board, which may vary to accommodate the availability of suitable candidates. Directors are elected annually at each annual meeting of stockholders.

1.2 Independence of Directors

The Board shall be comprised of not less than a majority of independent directors if and to the extent required by the Corporate Governance Standards of the New York Stock Exchange (the “**NYSE**”), including any applicable exceptions under such requirements such as the exceptions for “controlled companies” under Section 303A.00 of the NYSE Listed Company Manual. In determining independence, the Board will consider and, to the extent required, apply the definition of independence set forth in the Corporate Governance Standards of the NYSE, as well as other factors that will contribute to the effective oversight and decision-making by the Board.

1.3 Management Directors

The Board anticipates that the Company’s Chief Executive Officer will be nominated to serve on the Board. The Board may also appoint or nominate other members of the Company’s management whose experience and role at the Company are expected to assist the Board in fulfilling its responsibilities.

1.4 Selection of Chief Executive Officer, Chairman of the Board and Presiding Director

The Board shall oversee the policies and principles for the selection of the Chief Executive Officer. The Board will select the Company’s Chief Executive Officer and Chairman or Executive Chairman of the Board (“**Chairman**”) in the manner that it determines to be in the best interests of the Company’s stockholders. The roles of Chairman and Chief Executive Officer may be either separate or combined and, if it is to be separate, the Chairman may be selected from the non-employee directors or may be an employee. If the Chairman is not an independent or a non-management director, one of the independent or non-management directors may be designated by the Board as lead non-management director (“**Presiding Director**”). The Presiding Director, if appointed, will have the following responsibilities:

- With the Chairman, establish the agenda for regular Board meetings and serve as chairman of Board meetings in the absence of the Chairman;
- Establish the agenda for meetings of the non-management directors;
- Preside over meetings of the non-management directors;
- Preside over any portions of meetings of the Board at which the evaluation or compensation of the Chief Executive Officer is presented or discussed;

- Preside over any portions of meetings of the Board at which the performance of the Board is presented or discussed; and
- Coordinate the activities of the other non-management directors and perform various other duties as established by the Chairman.

1.5 Selection of Directors

The Board will be responsible for nominating members for election to the Board by the Company's stockholders at the annual meeting of stockholders. The Board is also responsible for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, reviewing and evaluating and recommending to the Board candidates to serve as directors of the Company, in accordance with its charter and consistent with the criteria set by Board in Section 1.6 below.

1.6 Board Membership Criteria

The Board will determine the appropriate characteristics, skills and experience for the Board as a whole and for its individual members. In evaluating the suitability of individual candidates for Board membership, the Board and the Nominating and Corporate Governance Committee will assess the independence, character and acumen of candidates and will endeavor to collectively establish a diversity of background and experience in areas relevant to the Company's business. Board membership qualifications shall include any director "independence" requirements of the NYSE, as and to the extent applicable. The Board shall also consider other membership qualifications, including having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. Directors should possess the highest personal and professional ethics, integrity and values. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the Board considers diversity, age, skills, and such other factors as it deems appropriate given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability. In the case of incumbent directors whose terms of office are set to expire, the Board reviews such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Board also determines whether the nominee must be independent for NYSE purposes.

1.7 Changes in Board Membership Criteria

The Board and the Company wish to maintain a Board comprised of members who can productively contribute to the success of the Company. From time to time, the Board may change the criteria for Board membership to maximize this success. When this occurs, existing members will be evaluated according to the new criteria. A director who no longer meets the complete criteria for board membership may be asked to adjust his or her committee assignments or resign from the Board.

1.8 Term Limits

The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the Company, its operations and prospects based on their experience with, and understanding of, the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new ideas and viewpoints through the director nomination process described in these Governance Guidelines.

1.9 Limits on Board Memberships and Outside Activities

The Board does not believe that its members should be prohibited from serving on boards or committees of other companies, and the Board has not adopted any guidelines limiting such activities. Directors should advise the Chairman and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an

invitation to serve on the board or board committee of another company, including the disclosure of any potential conflicts of interest created by such potential service, either of whom may make a recommendation to the full Board on the matter. The Board and the Nominating and Corporate Governance Committee will take into account the nature and time involved in a director's service on other boards or board committees, and any potential conflicts of interest, in evaluating the suitability of a director. Service on boards and board committees of other companies should be consistent with the Company's conflict of interest policies contained in the Code of Business Conduct and Ethics.

If a director becomes involved in, or is considering, activities or interests that conflict or appear to conflict with the interests of the Company, whether or not these activities or interests in fact result in an actual conflict of interest, the director should disclose such matters promptly to the Chairman and the Chairman of the Nominating and Corporate Governance Committee. The Board and Nominating and Corporate Governance Committee will determine an appropriate resolution on a case-by-case basis.

1.10 Retirement Age

The Board does not believe that a fixed retirement age for directors is appropriate.

1.11 Directors Who Change Their Job Responsibility

The Board does not believe any director, who retires from his or her present employment, or who materially changes his or her position with a current employer, should be required to leave the Board; however, the Board, through the Nominating and Corporate Governance Committee, shall review the continued appropriateness of Board membership of such director under these circumstances.

2. ROLE OF THE BOARD OF DIRECTORS

The Board is responsible for the management and oversight of the business and affairs of the Company as conducted by the Company's employees, managers and officers under the direction of the Chief Executive Officer. The directors are responsible for exercising care, loyalty and good faith and acting in a manner they reasonably believe is in the best interests of the Company and its stockholders and consistent with their fiduciary duties. Service on the Board requires significant time and attention on the part of directors. Directors are expected to regularly attend and participate in Board meetings, review in advance, to the fullest extent possible, relevant materials, serve on committees, as and if requested and appointed, and prepare for meetings and discussions with management. Directors are expected to maintain an attitude of constructive involvement and oversight; they are expected to ask relevant, incisive and probing questions and require honest and accurate answers. Directors must act with integrity and are expected to demonstrate a commitment to the company, its values and its business and to long-term stockholder value. Directors are invited to attend the Company's annual meeting of stockholders.

3. DIRECTOR ORIENTATION AND EDUCATION

The Nominating and Corporate Governance Committee will implement an orientation process for directors, including providing background material on the Company's policies and procedures and arranging meetings with senior management and visits to Company facilities. The Company may, from time to time, offer continuing education programs to assist the directors in maintaining the level of expertise to perform his or her duties as a director.

4. DIRECTOR COMPENSATION

The Company's management directors shall not receive additional compensation for service as directors. The form and amount of director compensation for Board and committee service for non-management directors shall be determined by the Board in accordance with applicable legal and regulatory guidelines, upon recommendation of the Nominating and Corporate Governance Committee. In determining the amount and type(s) of compensation for non-management directors and committee members, the Board may consider, among other

factors, the extent to which such compensation is consistent with market practices of similarly situated companies and the impact of such compensation on a director's independence and objectivity.

5. BOARD MEETINGS

5.1 Number of Meetings

The Board should have at least four regular meetings each year, generally coinciding with the close of the Company's fiscal quarters. In addition to regularly scheduled meetings, additional Board meetings may be called as and when needed to address specific needs of the Company. The Board and its committees may also take action from time to time by unanimous written consent.

5.2 Attendance

Board members are expected to regularly attend all meetings of the Board and committees on which they serve. Directors shall seek to notify the Chairman, in the case of Board meetings, or the applicable committee Chairman, in the case of committee meetings, of circumstances preventing attendance at a meeting.

5.3 Preparation and Commitment

The Company will, to the fullest extent possible, seek to provide directors with appropriate preparatory materials in advance of a meeting, with a goal of providing such materials not later than three days prior to the meeting, except in unusual circumstances. Directors are expected to rigorously prepare for, attend, and participate in all Board and committee meetings. Each director is expected to ensure that other existing and planned future commitments do not materially interfere with the member's service as director.

5.4 Agenda

The Chairman will establish a schedule of subjects to be discussed during the year (to the extent this can be foreseen) and an agenda for each Board meeting. Each Board member is encouraged to suggest the inclusion of items on the agenda at any time. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

5.5 Executive Session

The non-management directors of the Board will meet periodically in executive session without the presence of other directors or members of management. In addition, the independent directors of the Board will meet at least once per year in executive session without the presence of non-independent directors or members of management. Executive session discussions may include such topics as the non-management or independent directors determine. Executive sessions will be chaired by the Presiding Director, if there is one and if such Presiding Director is an independent director, or by a director selected by the majority of the independent directors present.

5.6 Committee Reports

At or in conjunction with each regular Board meeting, each committee will update the Board regarding its recent committee meetings, including the principal subjects discussed and the conclusions and actions of the committee.

5.7 Operating Plan

Every year the Board will review and approve an operating plan for the Company.

6. BOARD COMMITTEES

6.1 Number of Committees; Independence of Members

The committee structure of the Board will consist of at least (a) an Audit Committee, (b) a Compensation Committee, and (c) a Nominating and Corporate Governance Committee. The Board may form, merge or dissolve

committees as it deems appropriate from time to time. Members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee shall, to the extent required by the Corporate Governance Standards of the NYSE, satisfy any and all then applicable director “independence” and other committee membership requirements of the NYSE, and shall also satisfy any applicable committee membership requirements pursuant to the requirements of the Securities and Exchange Commission and the applicable committee charter.

6.3 Committee Charters

All standing committees will operate pursuant to a written charter, which sets forth the purpose, authority and responsibilities of the committee, qualification for committee membership, procedures that the committee will follow and other relevant matters. Unless otherwise directed by the Board, new committees formed by the Board will develop a written charter delineating its responsibilities. The charters of all committees will be subject to periodic review and assessment by each committee and each committee shall recommend any proposed charter changes to the Board.

6.4 Board Committee Membership

The Nominating and Corporate Governance Committee shall oversee the Board’s committee structure and operations, including authority to delegate to subcommittees and committee reporting to the Board. The Nominating and Corporate Governance Committee, after due consideration of the interests, independence and experience of the individual directors and the independence and experience requirements of the NYSE, the rules and regulations of the Securities and Exchange Commission and applicable law, shall recommend to the Board annually the chairmanship and membership of each committee.

6.5 Committee Meetings and Agenda

Each committee Chairman, in consultation with applicable committee members, will determine the frequency of the meetings of the committee, consistent with any requirements set forth in the committee’s charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee’s agenda.

7. BOARD ACCESS TO MANAGEMENT; USE OF OUTSIDE DIRECTORS

Board members have complete and open access to the Company’s management and employees. It is assumed that Board members will use judgment to ensure that this contact is not distracting to the operations of the Company or to the managers’ duties and responsibilities and that such contact, to the extent reasonably practical or appropriate, will be coordinated with the Chief Executive Officer. Written communications to management should, whenever appropriate, be copied to the Chief Executive Officer.

The Board and each committee shall have the power to hire, at the expense of the Company, independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

8. CHIEF EXECUTIVE OFFICER EVALUATION; SUCCESSION PLANNING

The Board should conduct an annual review of the Chief Executive Officer’s performance. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and the development of management. The evaluation will be used by the Compensation Committee and Board in the course of its deliberations when considering the compensation of the Chief Executive Officer.

The Compensation Committee shall periodically review with the Chief Executive Officer the plans and policies for succession to the office of the Company’s Chief Executive Officer, including in the event of an emergency or the retirement of the Chief Executive Officer, and make recommendations to the Board with respect to the selection of appropriate individuals to succeed to this position. The Chief Executive Officer should at all

times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

9. BOARD ASSESSMENT

The Board, through its delegation of oversight to the Nominating and Corporate Governance Committee, shall conduct an annual evaluation to determine whether the Board and its committees are functioning effectively. The Nominating and Corporate Governance Committee will receive feedback from all directors and report annually to the Board with an assessment. The assessment shall include and evaluation of (a) the Board's and each committee's contribution as a whole and effectiveness in serving the best interests of the Company and its stockholders, (b) specific areas in which directors and management believe that the Board and its committees could be improved, and (c) overall Board composition and makeup. The results of these evaluations shall be provided to the Board for further discussion as appropriate.

10. REVIEW OF GOVERNANCE GUIDELINES

The Nominating and Corporate Governance Committee shall review and assess the adequacy of these Governance Guidelines at least annually and shall recommend any proposal changes to the Board for approval.