

Build-A-Bear Workshop, Inc

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER

I. PURPOSE

The Compensation Committee (the “Committee”) shall discharge the Board of Directors’ responsibilities relating to compensation of directors and senior officers of the Corporation and the Corporation’s incentive-compensation and equity-based compensation plans.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent directors, as defined in the rules of any national securities exchange on which the Corporation’s shares may be listed from time to time, and be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In addition, each member of the Committee shall meet the definition of (1) a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, and (2) an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

The members of the Committee shall be recommended by the Nominating and Corporate Governance Committee and elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

III. MEETINGS

The Committee shall meet at least one time per year or more often as the Committee may from time to time determine may be appropriate or as circumstances dictate.

Additional meetings may also be held at such other times as shall be reasonably requested by the Chair of the Board or the Chair of the Committee. Members of the Committee may participate in meetings by means of teleconference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting. The Committee may also act as otherwise permitted by law or the Company’s Bylaws.

At the invitation of the Committee Chair, the meetings will be attended by the Chair of the Board, the Chief Executive Bear, representatives of any compensation consultant retained by the Committee and/or other persons as are appropriate to matters under consideration.

IV. RESPONSIBILITIES AND DUTIES

The responsibilities and duties the Committee shall include the following:

1. Review and approve corporate goals and objectives relevant to Chief Executive Bear compensation, evaluate the Chief Executive Bear's performance in light of those goals and objectives and determine, or recommend to the Board for determination, the total compensation package, including salaries, bonuses, stock options, benefits and other compensation arrangements, for the Chief Executive Bear. The Chief Executive Bear may not be present at Committee meetings during discussions of Chief Executive Bear compensation.
2. Make recommendations to the Board with respect to compensation of, and oversee the evaluation process for, all senior officers of the Corporation other than the Chief Executive Bear.
3. Make recommendations to the Board with respect to and supervise the administration of any Corporation employee benefit plans, incentive-compensation plans, equity-based compensation plans or profit sharing plans.
4. Oversee issues regarding management succession.
5. Review Board compensation and compensation practices and make recommendations with respect thereto to the Board.
6. Prepare the Compensation Committee report required to be included in the Corporation's annual proxy statement.
7. The Committee shall have unrestricted access to management. The Committee shall have the authority to engage independent advisors, including compensation consultants, at Corporation expense as the Committee may determine necessary in carrying out its responsibilities hereunder.
8. Report actions of the Committee periodically to the Board with such recommendations for action as the Committee deems appropriate.
9. The Corporation shall provide the Committee with adequate funding, as determined by the Committee, for payment of compensation to any advisors engaged by the Committee.
10. Review and reassess the adequacy of this Charter on an annual basis and make recommendations to the Board concerning any changes deemed appropriate.
11. Conduct an annual self-evaluation of Committee performance.

12. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.