



**Hot Topic, Inc.****HOTT NASDAQ****Retail - Apparel / Accessories**

Market Capitalization USD:

\$342.69 mm**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Lisa M. Harper**Age: 52****CEO Since: 2011**

	2009	2010	2011
Base Salary	\$821,154	\$850,000	\$413,462
Discretionary Bonus	\$0	\$0	\$620,000
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$31,266	\$36,265	\$161,759
TOTAL ANNUAL COMPENSATION	\$852,420	\$886,265	\$1,195,221
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$1,151,775	\$481,710	\$1,820,650
Stock Awards	\$956,000	\$0	\$97,502
TOTAL COMPENSATION	\$2,960,195	\$1,367,975	\$3,113,373
Median of Other Named Executive Officers Total Compensation	\$1,127,977	\$798,080	\$1,342,966
Value Realized on Exercise of Stock Option	\$1,029,603	\$83,750	\$0
Value Realized on Vesting of Stock	\$0	\$0	\$36,322
TOTAL REALIZED EQUITY COMPENSATION	\$1,029,603	\$83,750	\$36,322

Proxy Date: 26 Apr 2012

Annual Meeting Date: 5 Jun 2012

Equity Reserves: 27.64%

Stock Option Run Rate: 6.86%

Hot Topic, Inc.

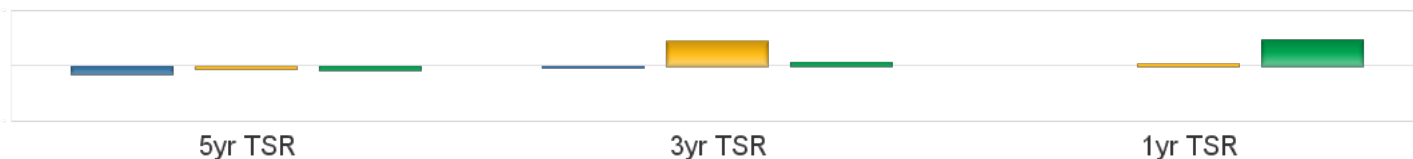
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Performance Comparison

■ S&P500 ■ Industry ■ HOTT



Peer Comparisons (TRBC) =Retail - Apparel / Accessories

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HOTT	Hot Topic, Inc.	\$2,960,195	\$1,367,975	\$3,113,373	\$342,686,937
HIBB	Hibbett Sports, Inc.	\$1,637,223	\$2,153,344	\$1,250,753	\$909,377,839
ARO	Aeropostale, Inc.	\$13,484,985	\$4,861,154		\$872,765,402
PSS	Collective Brands, Inc.	\$6,456,055	\$7,787,765	\$1,183,309	\$784,971,686
CATO	Cato Corporation (The)	\$3,647,525	\$3,623,499	\$3,488,805	\$664,415,033
BEBE	bebe stores, inc.	\$930,120	\$368,000		\$565,512,010
RUE	rue21, inc.	\$2,288,097	\$4,887,042	\$2,586,519	\$554,994,518

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Aéropostale, Inc., bebe stores, inc., The Buckle, Inc., Christopher & Banks Corporation, Kenneth Cole Productions, Inc., lululemon athletica inc., New York & Company, Inc., Pacific Sunwear of California, Inc., rue21, inc., Urban Outfitters, Inc., The Wet Seal, Inc., Zumiez Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
W. Scott Hedrick	Chairman	66	Male	10	Outside Related
Andrew Schuon	Member	47	Male	14	Outside Related
Steven R. Becker	Member	45	Male	2	Outside Related
Thomas G. Vellios	Member	57	Male	4	Outside