

CHARTER OF THE COMPENSATION COMMITTEE

1. PURPOSE

The purpose of the Compensation Committee (the "Committee") of Sport Chalet, Inc. (the "Company") is to help to ensure that the executive officers of the Company and its subsidiaries are compensated in a manner consistent with (i) the compensation strategy of the Company determined by the Board of Directors (the "Board"), (ii) treatment of all executive officers in an equitable and consistent manner, (iii) the Company's need to compete in recruiting and retaining qualified executive officers, and (iv) the requirements of the appropriate regulatory bodies. The Committee shall also communicate to the stockholders the compensation policies of the Company and the method for establishing compensation for the Chief Executive Officer ("CEO") and the other executive officers of the Company. To carry out this purpose, the Committee shall:

- (a) Review and approve corporate goals and objectives relevant to compensation of the executive officers.
- (b) Evaluate the performance of the executive officers in light of those goals and objectives.
- (c) Determine and approve the compensation level of the executive officers based on this evaluation.
- (d) Make recommendations to the Board with respect to incentive compensation plans and equity-based plans.

2. COMMITTEE MEMBERSHIP AND ORGANIZATION

The Committee shall be comprised of no fewer than two members. Each member of the Committee shall be "independent" as defined by the rules of the Nasdaq Stock Market ("Nasdaq"). In addition, each member shall be a "Non-employee Director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and shall satisfy the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment. The members of the Committee shall be appointed and replaced by the Board. The Board shall appoint one of the members as Chair.

3. COMMITTEE RESPONSIBILITIES AND AUTHORITY

To carry out its purposes expressed in Paragraph 1 above, the Committee shall have the following responsibilities and authority. Delegation by the Board of responsibilities to the Committee shall not preclude the Board from taking any action permitted to be taken under governing law, rules or regulations applicable to the Company.

- (a) Review from time to time and approve the Company's compensation strategy to ensure that management is rewarded appropriately for its

contributions to Company growth and profitability and that the executive compensation strategy supports Company objectives and stockholder interests.

- (b) Determine all elements of compensation for the executive officers. The CEO may not be present during voting on or discussion of his compensation.
- (c) Determine the long-term incentive component of compensation for the executive officers based on the considerations adopted by the Board.
- (d) Annually review the performance of the CEO and the executive officers of the Company, and report on the Committee's review to the Board and the CEO.
- (e) Produce the annual Board Compensation Committee Report to Stockholders on the factors and criteria on which the compensation for the CEO and other executive officers in the last year was based, to be included in the Company's proxy statement for its annual meeting or Annual Report on Form 10-K filed with the SEC.
- (f) Develop the Company's incentive compensation strategy with respect to the total number of incentive awards to be granted, the relative participation of senior management and other employees, and the types of awards to be granted.
- (g) Recommend and approve, subject to submission to stockholders when appropriate, all new equity-related incentive plans
- (h) Determine eligibility for awards under the Company's incentive compensation plans and the terms under which awards are granted.
- (i) Allocate awards under the Company's incentive compensation plans.
- (j) Assure that the Company's executive incentive compensation program, including the annual and long-term incentive plans, is administered in a manner consistent with the Company's incentive compensation strategy.
- (k) Approve annual retainer and meeting fees for directors and members of Board committees, including expense reimbursement limits and per diem allowances, and fix the terms and awards of stock compensation for members of the Board.
- (l) Review with the CEO matters relating to management succession.
- (m) Review the Company's employee benefit programs and approve changes subject, where appropriate, to stockholder or Board approval.
- (n) Obtain advice, assistance, reports or opinions from internal or external legal, accounting or other advisors, including consulting firms, to assist in the evaluation of director, CEO or senior executive compensation.
- (o) Form and delegate authority to subcommittees, or delegate authority to members, when appropriate, provided that such subcommittees will be

composed exclusively of members of this Committee and will operate pursuant to a written charter.

- (p) Review and re-examine this Charter at least annually and make recommendations to the Board with respect to any proposed changes.
- (q) Annually report to the full Board regarding its own performance against the responsibilities outlined in this Charter and as otherwise established by the Board.
- (r) Retain and terminate any consulting firm used to assist in the evaluation of director, CEO or senior executive compensation, and approve the consulting firm's fees and other retention terms.
- (s) Such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chairman, or as designated in compensation plan documents.

4. MEETING AND MINUTES

- (a) The Committee will meet at least twice annually and will also meet, as required, in response to the needs of the Board and as necessary to fulfill their responsibilities.
- (b) The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.