



## **Advisory Board Charter**

### **I. General Function**

The function of the members of the Advisory Board (the "Advisory Board") shall be to advise and make non-binding recommendations to the Board of Directors of BabyUniverse, Inc. (the "Company") with respect to matters within the areas of their experience and expertise.

### **II. Membership**

The Advisory Board shall have three (3) members. The members shall be appointed by the Board of Directors of the Company. The term of service for members of the Advisory Board will be one year from the date they are appointed or until their successor is duly elected and qualified or until their earlier resignation, removal by the Board of Directors of the Company, or death. The Board of Directors shall appoint one of the three members as Chairman of the Advisory Board. The Board of Directors shall have the authority, in its sole and absolute discretion, to remove any member of the Advisory Board at any time for any reason.

### **III. Mode of Operation**

The Advisory Board shall meet at least three (3) times a year, upon no less than ten (10) days' notice, with each meeting date to be designated by the Chairman. The sole responsibility of the members of the Advisory Board shall be to meet and make recommendations to the Board of Directors of the Company as to matters within the areas of their experience and expertise. The Advisory Board's role shall be purely ministerial and advisory and the ultimate responsibility for the management of the Company's business and affairs shall rest with the Board of Directors. The Board of Directors shall have no obligation to adopt, or otherwise be bound to act upon, any recommendation of the Advisory Board, but shall, in its sole and absolute discretion, have the ability to take the Advisory Board's recommendations under advisement. In rendering advice to the Board of Directors of the Company, the Advisory Board shall have no obligation to conduct any individual research or investigation and shall be entitled to rely solely and exclusively upon the facts and information available to it at the time of the making of its recommendations, including, but not limited to, such facts and information as may be provided to the Advisory Board by the Company.

### **IV. Compensation and Expense Reimbursements**

The members of the Advisory Board shall receive such compensation for their services in such capacities as the Board of Directors of the Company, in its sole and absolute discretion, shall deem proper. The members of the Advisory Board shall be entitled to reimbursement from the Company for all reasonable expenses incurred by them in connection with their Advisory Board services upon the presentation to the Company of written documentation for such expenses.

### **V. Liability**

The members of the Advisory Board shall have no liability or obligations whatsoever for any actions or omissions taken by them in their capacities as such. Any member of the Advisory Board made, or threatened to be made, a party to any threatened, pending, or contemplated action or proceeding, whether civil, criminal, administrative, or investigative, arising out of or related to such member's service on the Advisory Board, shall be indemnified by the Company, and the Company may advance to such member related expenses incurred in defense of such action, to the fullest extent permitted by applicable law (including, but not limited to, under the applicable laws of the Bahamas). For purposes hereof, "member" shall include such member's heirs and personal representatives. The Company acknowledges that the foregoing indemnification is a material inducement to the members of the Advisory Board to serve in their capacities as such and that such members would not agree to serve on the Advisory Board in the absence of the foregoing indemnification.