
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 2)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 28, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-21196

Destination Maternity Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

13-3045573
(IRS Employer
Identification No.)

232 Strawbridge Drive
Moorestown, New Jersey
(Address of principal executive offices)

08057
(Zip Code)

(856) 291-9700
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$.01 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

Series B Junior Participating Preferred Stock Purchase Rights
(Title of class)

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed using \$5.62, the price at which the common equity was last sold as of July 29, 2016 (the last trading day of the Registrant's most recently completed second fiscal quarter), was approximately \$66,000,000.

On May 23, 2017, there were 13,986,179 shares of the Registrant's common stock, \$.01 par value, outstanding.

EXPLANATORY NOTE

Destination Maternity Corporation (the “Company,” “we,” “us” or “our”) is filing this Amendment No. 2 on Form 10-K/A (this “Amendment”) to its Annual Report on Form 10-K for the fiscal year ended January 28, 2017 (the “Original Form 10-K Filing”), in order to amend and restate in its entirety Item 11 of Part III to provide disclosure concerning director compensation. In addition, in accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Item 15 of Part IV of the Original Form 10-K Filing has been amended and restated solely to include as exhibits new certifications by our principal executive officer and principal financial officer.

Except as expressly set forth herein, this Amendment does not reflect facts or events occurring after the date of the Original Form 10-K Filing or modify or update any of the other disclosures contained therein in any way other than as required to reflect the amendments discussed above. Accordingly, this Amendment should be read in conjunction with the Original Form 10-K Filing and the Company’s other filings with the SEC.

PART III

Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview

The Compensation Committee of our Board of Directors (the “Committee”) has developed and implemented compensation policies, plans and programs that seek to enhance our profitability, and thus stockholder value, by aligning the financial interests of our senior management with those of our stockholders. Our compensation arrangements are designed to attract and retain corporate officers and other key employees and to motivate them to perform to the full extent of their abilities, in the best long-term interests of our stockholders.

Composition of the Committee

The Committee currently consists of Mr. Weinstein, *Chair*, Mr. Ajdler, and Mr. Erdos. None of these individuals has ever been an officer or employee of the Company. Each member of the Committee is considered to be an “independent director” under Nasdaq rules and the rules of the SEC. The Report of the Compensation Committee is set forth below after this “Compensation Discussion and Analysis” section.

The Committee meets at least annually regarding compensation decisions. In fiscal year 2016, the Committee met nine times.

Significant Corporate and Personnel Developments

In fiscal year 2016, our Chief Executive Officer and the rest of the senior management team, with the support of the Board, continued its efforts to strengthen the foundational operations of the Company with a view toward enabling scalable and repeatable success necessary to maximize long-term shareholder value. The focus of the management team’s efforts included: (1) continued refinement of the merchandising design and buying process through adoption of, and adherence to, a more disciplined product life cycle calendar; (2) implementation of significant internally developed tools to increase visibility into product performance; (3) implementation of a new industry standard product allocation tool; (4) continued efforts to significantly rationalize the Company’s product vendor base to better concentrate product orders and improve margin; (5) continued efforts to re-launch the Company’s ecommerce websites with a best in class SAAS (software as a service) provider improving customer experience and back end management; (6) implementation of a full real estate portfolio review with a view toward rationalizing distribution points; and (7) a continual effort to rationalize the expense base of the Company through rigorous expense management and profit maximizing initiatives. In doing so the management team also fully supported the robust process which resulted in the entering into of an Agreement and Plan of Merger (the “Merger Agreement”) with Orchestra-Prémaman S.A. (as more fully described in Item 1. of the Form 10-K filed for fiscal year 2016).

It is the practice of the Committee to periodically review existing arrangements with our named executive officers to determine if such arrangements remain appropriate in the current commercial landscape. Whenever practicable, the Committee seeks to update existing arrangements to remove outdated terms and to otherwise ensure the arrangements remain effective and consistent with the best interests of our stockholders. In fiscal year 2016, the Committee took several actions in this regard as highlighted under the “Significant Actions Taken” section below.

Consideration of Most Recent Stockholder Advisory Vote on Executive Compensation

During fiscal year 2016, we again conducted a “Say-On-Pay” stockholder advisory vote, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Committee appreciates that once again over 87% of the shares voting approved of our executive compensation and believes, therefore, that our stockholders are highly supportive of our executive compensation practices. Nevertheless, the Committee continues to refine our executive compensation practices in its ongoing effort to ensure that those practices support our corporate goals and values.

Significant Actions Taken

Significant compensation related actions taken during fiscal year 2016 and thereafter include the following:

- (1) Establishing the compensation arrangements in connection with the appointment of David Stern as the Company’s Executive Vice President & Chief Financial Officer;
- (2) Establishment of certain retention and transaction bonus arrangements with both the Company’s Chief Executive Officer and Chief Administrative Officer, and modifications thereto, in connection with the Company’s process which resulted in the execution of the Merger Agreement;
- (3) The negotiation of an Amended and Restated Employment Agreement with the Company’s Executive Vice President and Chief Administrative Officer in connection with the Company’s process which resulted in the execution of the Merger Agreement;
- (4) Establishment of 2016 annual incentive goals, payout of the earned 2016 annual incentive to named executive officers other than the Chief Executive Officer;
- (5) The addition of a requirement that the payment of the Chief Executive Officer’s otherwise earned 2016 annual incentive be subject to the same conditions as the payment of his transaction bonus;
- (6) Approval of 2016 annual equity awards; and
- (7) Establishment of 2017 annual incentive goals.

In addition to a discussion of our compensation philosophy in general, the following discussion highlights these specific decisions.

Total Compensation and Allocation Between Compensation Elements

Both the total amount of compensation paid to our named executive officers and the portion of total compensation represented by each element of compensation have been determined by the Committee with reference to each executive’s experience, capabilities, contributions and strategic importance, the pay levels for peer employees within the Company, the pay levels for similar positions at companies in our peer group and our performance as a whole. As further discussed below, in evaluating these considerations, the Committee sometimes solicits input from its compensation consultant, Korn Ferry Hay Group, an outside executive compensation consulting firm (“Korn Ferry”). The Committee worked with Korn Ferry to assist it in evaluating the Company’s executive compensation practices for senior management personnel and in developing and refining the Company’s peer group.

The input of Korn Ferry is given substantial weight and, in general, the Committee does not increase an executive’s total compensation, or any element of an executive’s compensation, unless it concludes that such increase was necessary to conform to the relevant peer group median or, based on the independent judgment and experience of the Committee members, was necessary for a strategic reason (e.g., the retention of a key executive).

The payments to Korn Ferry in fiscal year 2016 totaled \$2,000.

The Committee has concluded that Kom Ferry's work for us does not raise any conflict of interest. The Committee has also considered the independence of Kom Ferry. Because of policies and procedures Kom Ferry and the Committee have in place, the Committee is confident that the advice it receives from executive compensation consultants at Kom Ferry is objective and not influenced by Kom Ferry's or its affiliates' relationships with the Company or its officers. These policies and procedures include the following:

- the consultants receive no incentive or other compensation based on the fees charged to the Company for other services provided by Kom Ferry or any of its affiliates;
- the consultants are not responsible for selling other Kom Ferry or affiliate services to the Company;
- Kom Ferry's professional standards prohibit the individual consultant from considering any other relationships Kom Ferry or its affiliates may have with the Company in rendering his or her advice and recommendations;
- the consultants have direct access to the Committee without management intervention;
- the Committee has the sole authority to retain and terminate Kom Ferry; and
- the Committee evaluates the quality and objectivity of the services provided by Kom Ferry each year and determines whether to continue to retain Kom Ferry.

Benchmarking

In October 2015, Kom Ferry identified the following companies as our "peers", both for purposes of benchmarking total compensation and individual pay elements:

Bebe Stores, Inc.	New York & Company, Inc.
Build a Bear Workshop, Inc.	Pacific Sunwear
Cato Corp.	Shoe Carnival, Inc.
Christopher & Banks Corporation	Stein Mart
Citi Trends, Inc.	Tilly's, Inc.
Destination XL Group	Vera Bradley, Inc.
Francesca's	Zumiez Inc.

This list reflects a comprehensive revision of our peer group by Kom Ferry in consultation with the Committee. While some members of the earlier peer group were retained, others were removed because they had ceased to be publicly traded and/or replaced because their revenues and/or market capitalization had ceased to be reasonably comparable to ours. The resulting group contains companies within the retail apparel industry which Kom Ferry considers comparable to our Company. Consistent with its typical process, Kom Ferry considered the following guidelines when reviewing the peer group companies to be used in assessing the Company's compensation programs:

- (a) Size: revenues and / or market cap (Kom Ferry typically includes companies in the range of approximately 0.4x to 2.5x the client revenues, subject to the availability of viable peer candidates);
- (b) Sector: industry / business competitors;
- (c) Talent market: companies from which the Company's executives may be recruited to or from;
- (d) Complexity: related to the number of "moving parts", operating model or business strategy;
- (e) Location: a national or global presence is often appropriate at the executive level; and
- (f) Customer base / market share: magnitude and demographics of customers.

No changes have been made to our peer group since that time.

Participation of Management in the Compensation Process

Mr. Romano was consulted regularly by the Committee in fiscal year 2016 with respect to compensation decisions regarding, and the individual performance of, named executive officers other than himself. While his input

in such matters was afforded substantial weight, the ultimate decision on all named executive officer compensation matters was made only by the Committee or the Board of Directors. The individual performance of Mr. Romano was evaluated by the Committee and the Board of Directors, without input from any employee.

At the request of the Committee, management assembles and distributes to the Committee, in advance of its meeting or meetings, information requested by the Committee to assist the Committee in its compensation decisions. Such information may include corporate financial data, historical compensation data (for us or members of our peer group) and information regarding the accounting, tax or legal consequences of proposed compensation arrangements, as prepared by internal personnel or external advisors.

Effect of Historical Contractual Arrangements

The Committee's compensation decisions are made in light of our current and foreseeable future circumstances and with an eye toward conformity with perceived "best practices." However, the Committee's approach to compensation is also influenced by our existing contractual commitments to named executive officers. When appropriate and practicable, the Committee will negotiate with named executive officers to update such "legacy" commitments to the extent necessary to reflect changed circumstances or evolving commercial practices.

Elements of Compensation

The principal elements of our named executive officers' compensation are: (1) base salary, (2) annual cash bonuses, (3) special or discretionary cash bonuses, (4) equity-based incentives, and (5) severance and change in control benefits.

Base Salary: The base salary of each named executive officer constitutes compensation for discharging such named executive officer's job responsibilities and is intended to achieve comparability with the base salaries of senior executives at similar companies holding comparable positions, taking into account such factors as the individual executive's experience, tenure and alternative employment opportunities.

Individual salary adjustments also take into account individual performance contributions for the year, as well as sustained performance contributions over a number of years and significant changes in responsibilities, if any. The assessment of individual performance is subjective and is not intended to correlate to specific corporate performance measures.

For fiscal year 2016, based on updated benchmarking provided to the Committee by Korn Ferry and the application of its subjective judgment, the Committee determined that no named executive officer would receive a base salary increase.

Annual Bonuses: We pay annual bonuses in cash based on our achievement of corporate performance goals established by the Committee, with input from senior management. The target amount for each executive's annual bonus is expressed as a percentage of the executive's base salary for the fiscal year. At the time the Committee determined 2016 bonus criteria for executive officers in April 2016, the only executive officers expected to continue in employment through fiscal 2016 were Mr. Romano and Mr. Masciantonio. The Committee set Mr. Romano's threshold annual bonus opportunity at 20% of his base salary, his target annual bonus opportunity at 100% of his base salary and his maximum annual bonus opportunity is 200% of his base salary for fiscal year 2016. The Committee set Mr. Masciantonio's threshold annual bonus opportunity at 12% of his base salary, his target annual bonus opportunity at 60% of his base salary and his maximum annual bonus opportunity is 120% of his base salary for fiscal year 2016. Mr. Stern joined the Company in August 2016, and his employment agreement set his target annual bonus opportunity at 60% of his base salary. Because Mr. Stern joined the Company mid-fiscal year, his fiscal year 2016 bonus opportunity was pro-rated.

Each executive's actual annual bonus payment may be lower or higher than the target amount, based on actual corporate performance relative to the specified goals. In determining the amount of the annual bonus payable to an executive when the applicable performance goals have been met, the Committee may exercise negative discretion to reduce the amount of such annual bonus to ensure that the amount ultimately paid is commensurate with the executive's contribution to the Company's performance.

The Committee has utilized this same annual bonus approach for several years, and the arrangement is codified as our “Management Incentive Program.”

For fiscal year 2016, the Committee continued to use “Adjusted EBITDA” as the relevant performance metric for annual bonus purposes because it believes that continued profitability will be the key driver to increase stockholder value. For this purpose, “Adjusted EBITDA” represents earnings before interest, taxes, depreciation and amortization, adjusted to exclude: (i) loss on impairment of tangible or intangible assets; (ii) gain or loss on disposal of assets; (iii) gain or loss from the early extinguishment, redemption or repurchase of debt, (iv) stock-based compensation expense and (v) the impact of any changes to accounting principles that become effective during the relevant fiscal year. In addition, Adjusted EBITDA excludes expenses incurred by the Company in connection with certain extraordinary, unusual or infrequently occurring events reported in the Company’s public filings, which includes for fiscal year 2016, expenses incurred in connection with the process which resulted in the execution of the Merger Agreement.

Fiscal Year 2016 Bonuses: With respect to fiscal year 2016 bonuses for named executive officers under the Management Incentive Program, in April 2016 the Committee established that the level of Adjusted EBITDA which would yield 100% of target bonus is \$28.5 million and that the level of Adjusted EBITDA which would yield the maximum bonus payment (200% of target bonus) is \$34.2 million. The level of Adjusted EBITDA which would yield the threshold level of target bonus of 20% is \$22.8 million. In April 2017, the Committee determined that the Company’s Adjusted EBITDA for fiscal year 2016 was \$23.3 million. Therefore, 26.6% of target bonus was payable for fiscal year 2016 under the Management Incentive Program.

In April 2017, Mr. Romano agreed that his fiscal year 2016 bonus of \$201,885 payable pursuant to the Management Incentive Program would subject to the same conditions as his transaction bonus described below.

Fiscal Year 2017 Bonuses: With respect to fiscal year 2017 bonuses for named executive officers under the Management Incentive Program, in April 2017 the Committee established the levels of Adjusted EBITDA which would yield threshold, target, and maximum bonuses. For fiscal year 2017, the threshold level of bonus was set at 20% of base salary for Mr. Romano and 12% of base salary for Messrs. Stern and Masciantonio, the target level of bonus was set at 100% for Mr. Romano and 60% for Messrs. Stern and Masciantonio, and the maximum level of bonus was set at 200% for Mr. Romano and 120% for Messrs. Stern and Masciantonio (all consistent with their 2016 annual incentive opportunities).

Retention / Transaction Bonuses: In fiscal year 2016, we entered into a Transaction Bonus Agreement with Mr. Romano (the “Romano Agreement”), and a Transaction Bonus and Retention Agreement with Mr. Masciantonio (the “Masciantonio Agreement”, and together with the Romano Agreement, the “Transaction Bonus Agreements”). The Transaction Bonus Agreements were amended on January 6, 2017 to extend the outside date for the completion of a qualifying transaction from May 31, 2017 to December 31, 2017.

Pursuant to the Romano Agreement, as amended, in connection with the merger, Mr. Romano is eligible for a transaction bonus equal to \$350,000. This transaction bonus would be payable in the event (i) we complete the merger before January 1, 2018, and (ii) Mr. Romano completes 90 days of service following the closing of the merger. The 90-day service requirement would be waived if, during the 90 days following the closing of the merger, Mr. Romano dies, becomes disabled, resigns with good reason or is terminated without cause. The Romano Agreement also amends the severance provisions of Mr. Romano’s employment agreement to provide that, if Mr. Romano resigns with good reason or is terminated without cause within two years following a change in control, which would include the merger, Mr. Romano will receive an additional severance amount equal to the greater of (i) his target bonus (presently, 100% of his base salary), or (ii) the average actual performance bonus received for the two years preceding the transaction.

Pursuant to the Masciantonio Agreement, as amended, in connection with the merger, Mr. Masciantonio is eligible to receive a retention bonus equal to 30% of his base salary and a transaction bonus equal to 30% of his base salary. The conditions for payment of the retention bonus payable pursuant to the Masciantonio Agreement have been satisfied, and the Company paid the \$117,000 retention bonus to Mr. Masciantonio in March 2017. The transaction bonus will be payable to Mr. Masciantonio if (x) we complete the merger before January 1, 2018, and (y)

Mr. Masciantonio completes 90 days of service following the closing of the merger. The 90-day service requirement described above would be waived if, during that period, Mr. Masciantonio dies, becomes disabled, resigns with good reason or is terminated without cause. The Masciantonio Agreement also provides that Mr. Masciantonio's outstanding time-vested equity awards will vest in full upon the occurrence of a change in control transaction, which would include the merger, provided he remains in service through the closing of the merger.

Equity-Based Incentives: The Committee believes that equity awards, when appropriately structured, provide powerful long-term incentives and align the interests of the named executive officers with the interests of our stockholders. Accordingly, we continue to emphasize equity in the total compensation packages provided to our named executive officers.

Fiscal Year 2016 Awards: The equity grants made during fiscal year 2016 to our named executive officers included a mix of performance-vested restricted stock units, time-vested restricted stock and time-vested options. Each performance-based restricted stock unit represents the right to receive one share of our common stock, upon satisfaction of specified performance conditions.

In April 2016, the Committee issued fiscal 2016 equity awards to Mr. Romano and Mr. Masciantonio, our only executive officers at that time expected to continue in service through fiscal 2016. The grant date fair value of awards made to each named executive officer during fiscal year 2016 were approximately \$825,000 for Mr. Romano and \$350,000 for Mr. Masciantonio. The Committee has generally set the grant date fair value of awards to the named executive officers to approximate the median grant date fair value of annual awards delivered by our peer group companies to their executives serving in comparable positions as determined by Korn Ferry. For each named executive officer, 25% of the value of these awards was in restricted stock, 50% of such value was in options and the remaining 25% of such value was in performance-based restricted stock units. As it has for the past several years, the Committee grants this particular mix of equity to the named executive officers, including performance-based restricted stock units, to incorporate multi-year metrics into our executive compensation, to ensure that performance-based metrics are diversified and to enlarge the at-risk portion of our executive compensation.

Although Mr. Stern was not eligible to receive an annual equity award with respect to fiscal year 2016, he did receive an inducement equity grant which was made upon his commencement of employment with a grant date fair value of approximately \$350,000, which fair value was allocated 50% to a non-qualified stock option, 25% to restricted stock and 25% to a performance-based restricted stock unit. The stock option and the restricted stock vest ratably in annual installments over the four-year period commencing on the grant date and will vest in full upon a termination of Mr. Stern's employment (a) by the Company without cause, (b) by Mr. Stern for good reason or (c) upon Mr. Stern's death or disability. The performance-based restricted stock unit vests on the same basis as the performance-based restricted stock units granted in fiscal year 2016 to the other named executive officers. The Committee believed that these equity grants to Mr. Stern were an essential component to induce Mr. Stern to become the Company's Chief Financial Officer and the Committee also believed that four year vesting on these equity grants would aid in the retention of Mr. Stern.

Performance-Based Restricted Stock Unit Grants in Fiscal Year 2014. For the 2014 awards, the performance condition was based on the Company's cumulative operating income for the three year period beginning with the start of the fiscal year of issuance (the "Performance Period"). The Committee chose operating income as a measure at that time because it believed that there is a strong relationship between growth in operating income and growth in stockholder value. For the 2014 awards, the following levels of

cumulative operating income over the respective Performance Period were used to determine the threshold, target and maximum performance-based restricted stock units earned for each grant:

<u>Fiscal Year of RSU Grant</u>	<u>Performance Period (Fiscal Years)</u>	<u>Threshold Level (\$)</u>	<u>Target Level (\$)</u>	<u>Maximum Level (\$)</u>
2014	2014 through 2016	124,110,000	136,516,000	149,728,000

For the fiscal year 2014 grant, regardless of achievement of a given performance level as set forth above, all performance-based restricted stock units were to be forfeited if operating income for fiscal year 2016 did not equal or exceed \$37,494,000 (which was the Company's Operating Income in fiscal year 2013). The minimum performance metrics applicable to the fiscal year 2014 awards were not achieved and, accordingly no performance-based restricted stock units were earned by the named executive officers pursuant to such awards.

Performance-Based Restricted Stock Unit Grants for Fiscal Years 2015 and 2016. For the fiscal year 2015 and 2016 awards, the performance condition was based on the Company's cumulative Adjusted EBITDA, as reflected in the Company's financials for the three-year period commencing with the fiscal year in which the award was issued. Just as with the Company's Management Incentive Program, the Committee chose Adjusted EBITDA as the relevant performance metric for the performance share grant because it believes that continued profitability will be the key driver to increase stockholder value. The Committee determined that earnings, before interest, taxes, depreciation and amortization will be adjusted to exclude the impact of: (i) loss on impairment of tangible or intangible assets; (ii) gain or loss on disposal of assets; (iii) gain or loss from the early extinguishment, redemption or repurchase of debt, (iv) stock-based compensation expense, (v) the impact of any changes to accounting principles that become effective during the Performance Period, and (vi) any expenses incurred by the Company in connection with certain extraordinary, unusual or infrequently occurring events reported in the Company's public filings, which includes for fiscal year 2015, any expenses incurred by the Company in connection with the relocation of its corporate headquarters and distribution center facilities, and which includes for fiscal year 2016, expenses incurred in connection with the process which resulted in the execution of the Merger Agreement.

For these awards, the following levels of Adjusted EBITDA will be used to determine the threshold, target and maximum performance-based restricted stock units earned:

<u>Fiscal Year of RSU Grant</u>	<u>Performance Period (Fiscal Years)</u>	<u>Threshold Level (\$)</u>	<u>Target Level (\$)</u>	<u>Maximum Level (\$)</u>
2015	2015 through 2017	79,500,000	91,600,000	103,700,000
2016	2016 through 2018	81,200,000	101,500,000	114,898,000

The following table sets forth the threshold, target and maximum performance-based restricted stock units that may be earned by each named executive officer upon achievement of threshold, target and maximum levels of performance for each of the 2015 and 2016 awards:

<u>Named Executive Officer</u>	<u>Fiscal Year of RSU Grant</u>	<u>Threshold Level (#)</u>	<u>Target Level (#)</u>	<u>Maximum Level (#)</u>
Anthony M. Romano— Chief Executive Officer & President	2015	9,592	19,183	28,775
	2016	6,885	27,537	41,306
David Stern— Executive Vice President & Chief Financial Officer effective August 1, 2016	2016	3,892	15,569	23,354
Judd P. Tirnauer— Former Executive Vice President & Chief Financial Officer until April 22, 2016	2015	4,069	8,138	12,207
	2016	—	—	—
Ronald J. Masciantonio— Executive Vice President & Chief Administrative Officer	2015	4,069	8,138	12,207
	2016	2,921	11,683	17,525

The Committee will interpolate to determine the performance-based restricted stock units earned for all levels of cumulative operating income above the threshold level but below the maximum level.

Any dividends declared on the shares of Company stock underlying the performance-based restricted stock units will be credited as additional performance-based restricted stock units based on the fair market value of the Company stock on the dividend record date. Those additional performance-based restricted stock units will be earned, if at all, on the same terms as the original performance-based restricted stock units.

Pursuant to the Company's standard form of performance-based restricted stock unit award agreement, vesting is contingent not only on satisfaction of the applicable performance conditions, but also generally on the executive's continued employment with the Company throughout the applicable performance period. Notwithstanding the foregoing, if the executive's employment terminates or is terminated (a) due to the executive's death, (b) due to the executive's disability, (c) by the executive for good reason, or (d) by the Company without Cause, then the executive would remain eligible to vest in a pro-rated portion of the units based on the actual performance of the Company through the end of the applicable performance period. Additionally, upon a change in control of the Company, all performance-based restricted stock units that have not been forfeited as of such date will vest at the target level.

Severance and Change in Control Benefits: The specific terms of our severance and change in control arrangements are discussed below under the heading "Potential Payments upon Termination or Change in Control."

The Committee has noted the prevalence of severance and change in control arrangements among our peer companies and believes that such arrangements, when properly tailored, are appropriate and necessary. Specifically, the Committee has concluded that such commitments are required to retain the continued service of Messrs. Romano, Stern and Masciantonio and were required with respect to Mr. Timauer. Further, in the case of any potential change in control, the Committee has concluded that such commitments are necessary to enable our named executive officers to evaluate objectively the benefits to stockholders of the proposed transaction, notwithstanding any potential effects on their own job security.

The Committee also believes that reasonable severance and change in control benefits (1) should be established with reference to an executive's position and current cash compensation opportunities, not with reference to his or her tenure, (2) should be conditioned upon execution of a release of claims against the employer and its affiliates, and (3) should be conditioned on the executive's commitment not to compete for a reasonable period following any cessation of his or her employment.

In general, cash severance benefits are expressed as a function of each executive's base salary (or base salary and target bonus) as in effect at the time of separation.

No named executive officer of the Company has a right to receive a tax gross-up related to the impact of the excise tax under Section 280G of the Internal Revenue Code.

Additional Compensation Information

Tax and Accounting Considerations Affecting Executive Compensation. We endeavor to design our equity incentive awards so that they are accounted for under standards governing equity-based arrangements and, more specifically, so that they are afforded fixed treatment under those standards. We generally attempt to structure our arrangements to maximize the tax deductibility of compensation, by taking advantage of performance-based exemptions to the limits of Section 162(m) of the Internal Revenue Code. However, the Committee reserves the right to approve compensation that is not fully deductible.

Compensation Risk Analysis. The Committee is keenly aware that compensation arrangements, if not properly structured, may encourage inappropriate risk-taking. In designing our compensation programs, the Committee seeks to mitigate such risk by:

- (a) providing a meaningful portion of total compensation in the form of equity incentives that are earned over multiple years (to encourage an appropriately long-term focus);
- (b) capping annual cash bonuses for named executive officers under the Management Incentive Program at 200% of base salary for Mr. Romano and 120% of base salary for Messrs. Stern and Masciantonio (to provide appropriate balance between short- and long-term objectives) for fiscal year 2016; and

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- (c) reserving the discretion to reduce annual bonuses otherwise payable under the Management Incentive Program (to allow recognition of the relationship between individual executive contributions and the achievement of specified performance metrics).

Stock Ownership Guidelines. The Committee recommended to the Board of Directors that a formal stock ownership guideline be implemented with respect to our management team. Based on the Committee's recommendation, the Board adopted such a policy on January 24, 2014. Pursuant to this policy,

- The Chief Executive Officer is required to own shares of our common stock having a fair market value equal to or greater than three times his or her then current annual base salary; and
- Each other named executive officer is required to own shares of our common stock having a fair market value equal to or greater than his or her then current annual base salary.

Named executive officers are required to attain the specified level of stock ownership (a) within three years from the date of the adoption of these guidelines with respect to named executive officers then currently employed as of the date of adoption or (b) within five years of the named executive officer's date of hire, with respect to officers employed after such date.

The failure of a named executive officer to comply with these guidelines will be considered by the Committee when determining future equity grants for such named executive officer. Although compliance with these guidelines may be waived at the discretion of the Board, such waiver is expected to be rare. We believe that these ownership guidelines will provide a significant incentive for each of the named executive officers to ensure that his or her actions, and the actions of all those reporting to such officer, are focused on the creation of sustainable stockholder value and the avoidance of excessive risk.

The Committee continues to evaluate the implementation of a clawback policy and intends to adopt such a policy after the SEC provides further guidance on that issue.

Report of the Compensation Committee

We, the members of the Compensation Committee, have reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Amendment.

The Compensation Committee

B. Allen Weinstein, *Chair*
Amaud Ajdler
Barry Erdos

Executive Compensation

Summary Compensation Table

The following table provides information about all compensation earned during our fiscal years ended January 28, 2017, January 30, 2016, the four-month transition period from October 1, 2014 through January 31, 2015 due to the Company's fiscal year change (the "Transition Period" or "TP"), and our fiscal year ended September 30, 2014 by the individuals who served as our executive officers during that year (collectively referred to as the "named executive officers"):

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Non-Equity Incentive Plan Compensation (\$)	Stock Awards (\$ (1))	Option Awards (\$ (1))	All Other Compensation (\$)	Total (\$)
Anthony M. Romano— Chief Executive Officer & President	2016	825,000	—	—	393,228	412,500	12,000 (2)	1,642,728
	2015	825,000	—	790,291	286,594	—	12,000 (2)	1,913,885
	TP	275,000	—	—	274,317	549,372	4,000 (2)	1,102,689
	2014	117,404	—	—	206,249	205,006	6,673	535,332
David Stern Executive Vice President & Chief Financial Officer (3)	2016	202,500	—	29,732	174,996	175,006	6,000 (2)	588,234
Judd P. Timauer— Former Executive Vice President & Chief Financial Officer until April 22, 2016 (4)	2016	119,942	—	—	—	—	3,000 (2)	122,942
	2015	405,000	—	175,020	121,582	—	12,000 (2)	713,602
	TP	135,000	100,000	—	116,373	233,067	4,000 (2)	588,440
	2014	401,667	—	—	216,670	108,615	780	727,732
Ronald J. Masciantonio— Executive Vice President & Chief Administrative Officer	2016	390,000	—	57,262	166,834	175,000	12,000 (2)	801,096
	2015	390,000	—	168,538	121,582	—	12,000 (2)	692,120
	TP	130,000	100,000	—	116,373	233,067	4,000 (2)	583,440
	2014	385,000	—	—	200,015	100,260	780	686,055

- (1) The amounts in the columns titled "Stock Awards" and "Option Awards" reflect the grant date fair values of awards made during the identified fiscal year, as computed in accordance with FASB ASC Topic 718 and the assumptions stated in footnote #12 of our Form 10-K filed on April 13, 2017. These amounts also include the grant date fair value of currently unearned performance-based restricted stock units issued during fiscal year 2014, 2015 and 2016 at the target level of achievement. The grant date value of the 2016 performance-based restricted stock unit awards based on the fair market value of our stock on the date of grant and the maximum level of performance for each executive would be: \$280,468 for Mr. Romano, \$131,250 for Mr. Stern and \$118,995 for Mr. Masciantonio.
- (2) Represents automobile expense reimbursement.
- (3) Mr. Stern commenced employment with us as our Chief Financial Officer in August, 2016.
- (4) Mr. Timauer's employment with us ceased in April, 2016.

Grants of Plan-Based Awards

The following table sets forth information regarding grants of plan-based awards to each of our named executive officers during our fiscal year ended January 28, 2017.

Name (3)	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#) (4)	All Other Option Awards: Number of Shares Underlying Options (#) (5)	Exercise Price of Option Awards (\$/ Sh)	Grant Date Fair Value of Stock and Option Awards (\$) (6)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Anthony M. Romano	04/06/2016	165,000	825,000	1,650,000							
	04/08/2016				6,885	27,537	41,306				186,976
	03/30/2016							27,537			206,252
	03/30/2016								132,170	7.49	412,500
David Stern	08/01/2016	24,300	121,500	243,000							
	08/01/2016				3,892	15,569	23,354				87,498
	08/01/2016							15,569			87,498
	08/01/2016								73,255	5.62	175,006
Ronald J. Masciantonio	04/06/2016	46,800	234,000	468,000							
	04/08/2016				2,921	11,683	17,525				79,328
	03/30/2016							11,683			87,506
	03/30/2016								56,072	7.49	175,000

- (1) The amounts in the column under “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” represent potential threshold, target and maximum bonuses available to the named executive officers under the Company’s Management Incentive Program. The term “Threshold” means the lowest non-zero amount that could be paid as a bonus under the applicable programs if a bonus is payable for the applicable fiscal year. The threshold is not a minimum bonus. There is no minimum bonus under the Company’s Management Incentive Program. If specified performance objectives are not met for the applicable fiscal year, no bonus is payable for that fiscal year.
- (2) The amounts in the column under “Estimated Future Payouts Under Equity Incentive Plan Awards” represent potential threshold, target and maximum performance-based restricted stock units available to the named executive officers based upon the Company’s performance over a three year period (as described above). The term “Threshold” means the lowest non-zero amount that could be delivered as restricted stock units based on the Company’s performance over a three-year performance period. The threshold is not a minimum amount payable or deliverable. If specified performance objectives are not met for the applicable performance period, no restricted stock unit is payable or deliverable for that performance period.
- (3) Mr. Timauer resigned from his position as Chief Financial Officer effective in April 2016 and, therefore, was not granted any plan-based awards during the fiscal year ended January 28, 2017.
- (4) The amounts in the column under “All Other Stock Awards” represent shares of restricted stock that vest over time. The vesting schedule is described in the footnotes to the “Outstanding Equity Awards” table below. Dividends are payable on these shares of restricted stock on the same basis that dividends are payable with respect to our common stock generally, except that payment of dividends on unvested shares of restricted stock is deferred until vesting.
- (5) The amounts in the column under “All Other Option Awards” represent shares underlying options awarded, each of which vests over time. The vesting schedule is described in the footnotes to the “Outstanding Equity Awards” table below.
- (6) The amounts in the column under “Grant Date Fair Value of Stock and Option Awards” with respect to stock awards and option awards represent the fair value of the awards on the date of grant, as computed in accordance with applicable accounting standards and the assumptions stated in footnote #12 of our Form 10-K filed on April 13, 2017. The amounts in the column under “Grant Date Fair Value of Stock and Option Awards” with respect to performance-based restricted stock unit awards represent the expected value of the award, based on the target level of performance and the fair market value of our stock on the date of grant. The grant date value of these performance-based restricted stock units based on the fair market value of our stock on the date of grant and the maximum level of performance for each executive for these fiscal year 2016 grants would be: \$280,468 for Mr. Romano, \$131,250 for Mr. Stern and \$118,955 for Mr. Masciantonio. Please note that the performance period for the awards extends through the end of fiscal year 2018 and, accordingly, none of these restricted stock units have yet been earned.

Outstanding Equity Awards

The following table sets forth unexercised stock options, stock that has not yet vested and equity incentive plan awards outstanding as of January 28, 2017, for each of our named executive officers.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Number of Securities Underlying Unexercised Options Unearned (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$ (1))	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#) (2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have Not Vested (\$ (2))
Anthony M. Romano (3)	17,364	17,365	—	19.750	08/11/2024	—	—	—	—
	88,809	88,809	—	14.300	12/05/2024	—	—	—	—
	—	132,170	—	7.490	03/30/2026	—	—	—	—
	—	—	—	—	—	42,351	238,860	16,477	92,930
David Stern (4)	—	73,255	—	5.620	08/01/2026	—	—	—	—
	—	—	—	—	—	15,569	87,809	3,892	21,951
Ronald J. Masciantonio (5)	12,000	—	—	11.890	01/29/2020	—	—	—	—
	9,000	—	—	22.130	03/03/2021	—	—	—	—
	4,882	—	—	14.510	11/18/2021	—	—	—	—
	7,744	—	—	19.890	11/16/2022	—	—	—	—
	5,841	1,947	—	30.500	12/04/2023	—	—	—	—
	37,676	37,677	—	14.300	12/05/2024	—	—	—	—
	—	56,072	—	7.490	03/30/2026	—	—	—	—
—	—	—	—	—	16,572	93,466	6,990	39,424	

- (1) The market value is based upon the closing price of our Common Stock on January 27, 2017 (\$5.64).
- (2) Amounts included under “Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested” represent the threshold award of performance-based restricted stock units issuable to each executive upon achievement of the threshold level of performance for each grant (for more information see the description of the Company’s performance-based restricted stock units above in “Compensation Discussion and Analysis”). As more fully described above, these performance-based restricted stock units for each award will vest, if at all, on the basis of the Company’s achievement of the specified performance metric over the subject three-year performance period. However, during fiscal year 2016, the Company determined pursuant to FASB ASC Topic 718 that such fiscal year 2015 and 2016 awards were unlikely to be earned, even at the threshold level.
- (3) The stock options and shares of restricted stock granted to Mr. Romano vest in four substantially equal installments over the four-year period following the grant date. Of the 10,443 shares of restricted stock granted to Mr. Romano on August 11, 2014, 5,222 of such shares were unvested as of January 28, 2017. Of the 19,183 shares of restricted stock granted to Mr. Romano on December 5, 2014, 9,592 of such shares were unvested as of January 28, 2017. All of the 27,537 shares of restricted stock granted to Mr. Romano on March 30, 2016 were unvested as of January 28, 2017.
- (4) The stock options granted to Mr. Stern vest in four substantially equal installments over the four-year period following the grant date. All of the 15,569 shares of restricted stock granted to Mr. Stern on August 1, 2016 were unvested as of January 28, 2017.
- (5) With the exception of the stock options and shares of restricted stock granted to Mr. Masciantonio on January 29, 2010 and March 3,

2011, all stock options and restricted stock held by Mr. Masciantonio as of January 28, 2017 vest in four substantially equal annual installments over the four-year period following the grant date. The stock options granted to Mr. Masciantonio on January 29, 2010 and March 3, 2011 are fully vested and currently exercisable. All of the 4,267 shares of restricted stock granted to Mr. Masciantonio on November 18, 2011 were vested as of January 28, 2017. All of the 4,190 shares of restricted stock granted to Mr. Masciantonio on November 16, 2012 were vested as of January 28, 2017. Of the 3,279 shares of restricted stock granted to Mr. Masciantonio on December 4, 2013, 820 of such shares were unvested as of January 28, 2017. Of the 8,138 shares of restricted stock granted to Mr. Masciantonio on December 5, 2014, 4,069 of such shares were unvested as of January 28, 2017. All of the 11,683 shares of restricted stock granted to Mr. Masciantonio on March 30, 2016 were unvested as of January 28, 2017.

The following table sets forth options exercised by, and stock awards vested to, our named executive officers during our fiscal year 2016:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Anthony M. Romano	—	—	7,407	48,296
David Stern	—	—	—	—
Judd P. Timauer	—	—	2,000	16,780
Ronald J. Masciantonio	—	—	5,503	41,245

Potential Payments upon Termination or Change in Control

We have entered into agreements with each of our current named executive officers that provide payments and benefits to the executive in the event of his termination of employment under various circumstances, including a change of control. The following tables reflect the amount of compensation payable to each of our current named executive officers upon these various events. The amounts shown assume that such termination was effective as of January 28, 2017, the last day of our fiscal year. The amounts are calculated using various assumptions and are therefore only estimates of the amounts that could become payable to our current named executive officers. The actual amounts to be paid out can only be determined at the time of an actual termination or change in control.

General Amounts Due Upon Termination. Generally, upon a termination of employment for any reason, each current named executive officer is entitled to receive the payment of certain accrued obligations, including the following (none of which are included on the trigger event tables presented below for each named executive officer):

- annual base salary through the date of termination, to the extent not previously paid;
- any annual bonus earned but not previously paid with respect to a year ended prior to the date of termination;
- any accrued, but unused, vacation pay; and
- any unreimbursed business expenses.

Anthony M. Romano

Under the terms of the Employment Agreement with Mr. Romano, as amended, Mr. Romano has the following severance rights:

Termination without Cause or Resignation due to Good Reason. Upon a termination of employment without “cause” or resignation due to “good reason” that, in either such case, does not occur within the 2 year period after a “change in control,” Mr. Romano will be entitled to the following payments and/or benefits:

- continuation of base salary for 12 months;
- payment of an amount equal to the average annual bonus earned by Mr. Romano over the preceding two years (or over the period of employment if termination occurs prior to the end of the second fiscal year following commencement of employment), which shall be paid in equal installments over the 12 months following such termination;

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- the Initial Grant would vest in full;
 - with respect to each outstanding grant of time-based restricted stock, time-based restricted stock units or stock options (exclusive of the Initial Grant), vesting of the tranche that was next scheduled to vest pursuant to each such grant shall be accelerated;
 - a pro-rata portion of any outstanding performance-based restricted stock units will remain outstanding and will vest to the extent earned based on the actual performance of the Company through the end of the applicable performance period; provided however, if a change in control occurs during the performance period, such units will then vest at the target level and be immediately settled;
 - payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year; and
 - continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for one year.

Termination without Cause or Resignation due to Good Reason in the 24 Month Period Following a Change in Control. Upon a termination of employment without “cause” or resignation due to “good reason,” that, in either such case, occurs within the 24 month period immediately following a “change in control,” Mr. Romano will be entitled to the following payments and/or benefits:

- continuation of base salary for 24 months;
- payment of an amount equal to the greater of target bonus or the average annual bonus earned by Mr. Romano over the preceding two years (or over the period of employment if termination occurs prior to the end of the second fiscal year following commencement of employment), which shall be paid in equal installments over the 12 months following such termination;
- all outstanding grants of time-based restricted stock, time-based restricted stock units or stock options, including the Initial Grant, would vest in full;
- all outstanding performance-based restricted stock units will vest at the target level and be immediately settled;
- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year;
- continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for 24 months;
- payment of a transaction bonus of \$350,000 pursuant to a transaction bonus agreement; and
- payments by us to or for the benefit of Mr. Romano shall be limited to the largest amount that could be payable to Mr. Romano without causing the application of the excise tax under Section 4999 of the Code; provided that such reduction shall only be imposed if the aggregate after-tax value of such amounts is equal to or greater than the aggregate after-tax value (after giving effect to the excise tax) of such amount without any such reduction.

Death. In the event of his termination of employment due to death, Mr. Romano’s executors, legal representatives or administrators will be entitled to the following payments and/or benefits:

- the Initial Grant would vest in full; and
- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year.

Disability. In the event of his termination of employment due to disability, Mr. Romano will be entitled to the following payments and/or benefits:

- the Initial Grant would vest in full; and

- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year.

Mr. Romano is bound by certain non-competition and non-solicitation covenants, which extend for a period of 12 months following termination of employment (or the applicable severance period, if longer). To receive any severance or termination payments or benefits described above, Mr. Romano is required to timely execute and deliver a general release and non-disparagement agreement in a form prescribed by us.

Description of Triggering Events

Cause. Mr. Romano’s employment may be terminated by us for “cause” upon Mr. Romano’s (a) conviction of, or the entry of a plea of guilty or no contest to, a crime, other than a minor traffic offense; (b) alcohol abuse or addiction to a controlled drug (other than in accordance with a physician’s prescription); (c) willful misconduct or gross negligence in the course of employment; (d) material breach of any material published Company policy; (e) material breach of any agreement with or duty owed to the Company or any of its affiliates; or (f) refusal to perform the lawful and reasonable directives of the Board of Directors or any committee thereof.

Good Reason. Mr. Romano may terminate his employment for “good reason” upon the occurrence of any of the following without his prior consent: (i) a material, adverse change in title, authority or duties; (ii) a reduction in base salary or bonus opportunity; or (iii) a relocation of his principal worksite more than 50 miles from the Company’s headquarters.

Disability. Under Mr. Romano’s employment agreement, “disability” has the same definition as such term does under the Company’s long-term disability plan.

Change in Control. The “change in control” provisions of Mr. Romano’s employment agreement will generally be triggered upon the first to occur of any of the following:

- any person becomes beneficial owner of more than 50% of the voting power of the Company’s then outstanding securities;
- a consolidation, share exchange, reorganization or merger of the Company resulting in the stockholders of the Company immediately prior to such event not owning at least a majority of the voting power of the resulting entity’s securities outstanding immediately following such event;
- the sale of substantially all of our assets; or
- a liquidation or dissolution of the Company.

Assuming one of the following events occurred on January 28, 2017, Mr. Romano’s payments and benefits have an estimated value of:

	Severance Payment (\$)	Payment of Pro-Rata Annual Bonus (\$ (1))	Additional Severance Payment	Health Benefit Continuation (\$)	Other (\$)	Value of Options Subject to Acceleration (\$)	Value of Restricted Stock and Restricted Stock Units Subject to Acceleration (\$)	Total (\$)
For Cause	—	—	—	—	—	—	—	—
Voluntary Resignation (without Good Reason)	—	—	—	—	—	—	—	—
Death	—	201,885	—	—	—	—	29,452 (2)	231,337
Disability	—	201,885	—	—	—	—	29,452 (2)	231,337
Without Cause or for Good Reason	825,000 (3)	201,885	496,088 (4)	15,622 (5)	—	—	95,327 (6)	1,633,922
Without Cause or for Good Reason in connection with a Change in Control	1,650,000 (7)	201,885	825,000 (8)	31,245 (9)	350,000 (10)	—	510,700 (11)	3,568,830
Change in Control (without termination)	—	—	—	—	350,000 (10)	—	271,840 (12)	621,840

- (1) This amount reflects Mr. Romano's otherwise earned 2016 annual incentive. However, as noted above, payment of Mr. Romano's otherwise earned 2016 annual incentive has been made subject to the same conditions as his transaction bonus.
- (2) This amount represents the value of 5,222 shares of otherwise unvested Common Stock, based on \$5.64, the closing price of our Common Stock on January 27, 2017.
- (3) This amount is equal to 12 months of Mr. Romano's monthly base salary as of January 28, 2017.
- (4) This amount represents an amount equal to the annual average bonus earned by Mr. Romano over the prior two fiscal years.
- (5) This amount represents premium payments for 12 months of continued group health coverage.
- (6) This amount represents (a) the value of 5,222 shares of otherwise unvested Common Stock, based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$29,452), plus (b) the value of 11,680 shares of otherwise unvested Common Stock (which represents restricted stock that would have vested at the next scheduled vest after January 28, 2017), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$65,875). Although Mr. Romano would be entitled to a portion of certain currently unearned performance-based restricted stock units from the fiscal year 2015 and fiscal year 2016 awards if earned, no value is shown here because the Company determined pursuant to FASB ASC Topic 718 that such awards are unlikely to be earned, even at the threshold level.
- (7) This amount is equal to 24 months of Mr. Romano's monthly base salary as of January 27, 2017.
- (8) This amount represents an amount equal to the Mr. Romano's target bonus.
- (9) This amount represents premium payments for 24 months of continued group health coverage.
- (10) This amount represents a transaction bonus payable to Mr. Romano pursuant to a transaction bonus agreement.
- (11) This amount represents (a) the value of 42,351 shares of otherwise unvested Common Stock, based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$238,860), plus (b) the value of 46,720 shares of otherwise unvested and unearned performance-based restricted stock units (the target level of the 2015 and 2016 performance-based grants), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$263,501), plus (c) the value of additional performance-based restricted stock units that would be issued due to cash dividends paid on our Common Stock during the performance period with respect to 19,183 shares underlying the fiscal year 2015 awards (\$8,339).
- (12) This amount represents (a) the value of 46,720 shares of otherwise unvested and unearned performance-based restricted stock units (the target level of the 2015 and 2016 performance-based grants), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$263,501), plus (b) the value of additional performance-based restricted stock units that would be issued due to cash dividends paid on our Common Stock during the performance period with respect to 19,183 shares underlying the fiscal year 2015 awards (\$8,339).

David Stern

Under the terms of his employment agreement, Mr. Stern has the following severance rights:

Termination without Cause or Resignation due to Good Reason. Upon a termination of employment without "cause" or resignation due to "good reason" that, in either such case, does not occur within the two year period after a "change in control," Mr. Stern will be entitled to the following payments and/or benefits:

- monthly severance payment of one-twelfth of his base salary for twelve months;
- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year; and
- continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for one year.

Termination without Cause or Resignation due to Good Reason in the Two Year Period Following a Change in Control. Upon a termination of employment without "cause" or resignation due to "good reason," that, in either such case, occurs within the two year period immediately following a "change in control," Mr. Stern will be entitled to the following payments and/or benefits:

- monthly severance payment of one-twelfth of his base salary for 24 months;
- additional equal monthly severance payment installments of an aggregate of 60% of Mr. Stern's base salary paid over 24 months;

- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year;
- continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for 18 months; and
- payments by us to or for the benefit of Mr. Stern shall be limited to the largest amount that could be payable to Mr. Stern without causing the application of the excise tax under Section 4999 of the Code; provided that such reduction shall only be imposed if the aggregate after-tax value of such amounts is equal to or greater than the aggregate after-tax value (after giving effect to the excise tax) of such amount without any such reduction.

Mr. Stern is bound by certain non-competition and non-solicitation covenants, which extend for a period of 24 months following termination of employment during the two year period immediately following a “change in control” and 12 months in all other instances. In order to receive any severance or termination payments or benefits described above, Mr. Stern is required to timely execute and deliver a general release and non-disparagement agreement in a form prescribed by us.

Description of Triggering Events

Cause. Mr. Stern’s employment may be terminated by us for “cause,” which means (i) conviction of, or the entry of a plea of guilty or no contest to, a crime, other than a minor traffic offense; (ii) alcohol abuse or use of controlled drugs (other than in accordance with a physician’s prescription); (iii) willful misconduct or gross negligence in the course of employment; (iv) material breach of any published Company policy, including (without limitation) the Company’s ethics guidelines, insider trading policies or policies regarding employment practices; (v) material breach of any agreement with or duty owed to the Company or any of its affiliates; or (vi) refusal to perform the lawful and reasonable directives of a supervisor.

Good Reason. The definition of “good reason” in Mr. Stern’s employment agreement is substantially the same as described above with respect to Mr. Romano’s employment agreement.

Change in Control. The definition of “change in control” in Mr. Stern’s employment agreement is substantially the same as described above with respect to Mr. Romano’s employment agreement.

Acceleration of Certain Unvested Equity. Under the terms of certain of Mr. Stern’s time-vested stock option and restricted stock awards granted in connection with his hire, the vesting of those awards would accelerate in the event of a change in control.

Assuming one of the following events occurred on January 28, 2017, Mr. Stern’s payments and benefits have an estimated value of:

	Severance Payment (\$)	Payment of Pro-Rata Annual Bonus (\$)	Additional Severance Payment (\$)	Health Benefit Continuation (\$)	Value of Performance- Based Stock Units Subject to Acceleration (\$)	Total (\$)
Without Cause or for Good Reason	405,000 (1)	29,732	—	19,353 (2)	— (3)	454,085
Without Cause or for Good Reason 12 months after a Change in Control	810,000 (4)	29,732	243,000 (5)	29,029 (6)	177,083 (7)	1,288,844
Change in Control (without termination)	—	—	—	—	177,083 (7)	177,083

(1) This amount is equal to 12 months of Mr. Stern’s monthly base salary as of January 28, 2017.

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- (2) This amount represents premium payments for 12 months of continued group health coverage.
 - (3) Although Mr. Stern would be entitled to a portion of certain currently unearned performance-based restricted stock units from the fiscal year 2016 award if earned, no value is shown here because the Company determined pursuant to FASB ASC Topic 718 that such awards are unlikely to be earned, even at the threshold level.
 - (4) This amount is equal to 24 months of Mr. Stern's monthly base salary as of January 28, 2017.
 - (5) This amount represents an amount equal to Mr. Stern's target bonus.
 - (6) This amount represents premium payments for 18 months of continued group health coverage.
 - (7) This amount represents the value of (a) the value of 15,569 shares of otherwise unvested Common Stock, based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$87,809), plus (b) the in-the-money spread of 73,255 otherwise unvested and unearned option shares (with an exercise price of \$5.62 per share), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$1,465), plus (c) 15,569 shares of otherwise unvested and unearned performance-based restricted stock units (the target level of the 2016 performance-based grant), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$87,809).

Ronald J. Masciantonio

Under the terms of his amended and restated employment agreement, Mr. Masciantonio has the following severance rights:

Termination without Cause or Resignation due to Good Reason. Upon a termination of employment without "cause" or resignation due to "good reason" that, in either such case, does not occur within the 24 month period after a "change in control," Mr. Masciantonio will be entitled to the following payments and/or benefits:

- monthly severance payment of one-ninth of his base salary for nine months;
- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year; and
- continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for one year.

Termination without Cause or Resignation due to Good Reason in the Two Year Period Following a Change in Control. Upon a termination of employment without "cause" or resignation due to "good reason," that, in either such case, occurs within the two year period immediately following a "change in control," Mr. Masciantonio will be entitled to the following payments and/or benefits:

- monthly severance payment of one-tenth of his base salary for 20 months;
- additional equal monthly severance payment installments of an aggregate of 60% of Mr. Masciantonio's base salary paid over 20 months;
- payment of a pro-rata portion of the annual bonus he would otherwise be entitled to receive for the year of termination based on actual corporate and/or individual performance for that year;
- continued coverage (for himself and, to the extent covered immediately prior to the date of termination, his spouse and eligible dependents) under our group health plan for 18 months;
- payment of transaction and retention bonuses totaling \$234,000 pursuant to a transaction bonus and retention agreement; and
- payments by us to or for the benefit of Mr. Masciantonio shall be limited to the largest amount that could be payable to Mr. Masciantonio without causing the application of the excise tax under Section 4999 of the Code.

Mr. Masciantonio is bound by certain non-competition and non-solicitation covenants, which extend for a period of 24 months following termination of employment during the two year period immediately following a "change in control" and 12 months in all other instances. In order to receive any severance or termination payments or benefits described above, Mr. Masciantonio is required to timely execute and deliver a general release and non-disparagement agreement in a form prescribed by us.

Description of Triggering Events

Cause. The definition of “cause” in Mr. Masciantonio’s employment agreement is substantially the same as described above with respect to Mr. Stern’s agreement.

Good Reason. The definition of “good reason” in Mr. Masciantonio’s employment agreement is substantially the same as described above with respect to Mr. Romano’s employment agreement.

Change in Control. The definition of “change in control” in Mr. Masciantonio’s employment agreement is substantially the same as described above with respect to Mr. Romano’s employment agreement.

Assuming one of the following events occurred on January 28, 2017, Mr. Masciantonio’s payments and benefits have an estimated value of:

	Severance Payment (\$)	Payment of Pro-Rata Annual Bonus (\$)	Additional Severance Payment (\$)	Health Benefit Continuation (\$)	Other (\$)	Value of Performance- Based Stock Units Subject to Acceleration (\$)	Total (\$)
Without Cause or for Good Reason	390,000 (1)	57,262	—	21,297 (2)	—	— (3)	468,559
Without Cause or for Good Reason 24 months after a Change in Control	780,000 (4)	57,262	234,000 (5)	31,945 (6)	234,000 (7)	115,326 (8)	1,452,533
Change in Control (without termination)	—	—	—	—	234,000 (7)	115,326 (8)	349,326

- (1) This amount is equal to Mr. Masciantonio’s annual base salary as of January 28, 2017.
- (2) This amount represents premium payments for 12 months of continued group health coverage.
- (3) Although Mr. Masciantonio would be entitled to a portion of certain currently unearned performance-based restricted stock units from the fiscal year 2015 and fiscal year 2016 awards if earned, no value is shown here because the Company determined pursuant to FASB ASC Topic 718 that such awards are unlikely to be earned, even at the threshold level.
- (4) This amount is equal to twice Mr. Masciantonio’s annual base salary as of January 28, 2017.
- (5) This amount represents an amount equal to Mr. Masciantonio’s target bonus.
- (6) This amount represents premium payments for 18 months of continued group health coverage.
- (7) This amount represents a transaction bonus payable to Mr. Masciantonio pursuant to a transaction bonus and retention agreement. 50% of this amount was paid to Mr. Masciantonio in March 2017 pursuant to the terms of such agreement.
- (8) This amount represents (a) the value of 19,821 shares of otherwise unvested and unearned performance-based restricted stock units (the target level of the 2015 and 2016 performance-based grants), based on \$5.64, the closing price of our Common Stock on January 27, 2017 (\$111,790) plus (b) the value of additional performance-based restricted stock units that would be issued due to cash dividends paid on our Common Stock during the performance period with respect to 8,138 shares underlying the fiscal year 2015 awards (\$3,536).

Judd P. Tirnauer

As noted above, Mr. Tirnauer resigned from employment with us effective April 22, 2016. Mr. Tirnauer was not entitled to any severance payments in connection with his resignation.

Compensation of Directors

Pursuant to our Non-Employee Director Compensation Policy, during fiscal 2016 each of our non-employee directors was entitled to receive a retainer of \$12,500 per quarter. In addition, during fiscal 2016, each non-employee director who is a member of a committee was paid an additional quarterly retainer as follows:

	Additional Quarterly Retainer (\$)
Audit Committee Chair	3,750
Audit Committee Member	1,875
Compensation Committee Chair	3,750
Compensation Committee Member	1,250
Nominating and Corporate Governance Committee Chair	2,500
Nominating and Corporate Governance Committee Member	1,250

During fiscal 2016, our Non-Executive Chair received an additional retainer of \$6,250 per quarter. Non-employee directors do not receive any additional compensation for participation in either board or committee meetings. However, members of our Board of Directors are reimbursed for their reasonable travel expenses incurred to attend meetings of our Board of Directors or committees of the Board of Directors on which they serve.

Upon conclusion of our 2016 Annual Meeting of Stockholders, the Company granted each non-employee director 4,000 shares of restricted stock that vest on the earlier of: (1) one year from the date of grant, or (2) one day before the Company's next Annual Meeting of Stockholders, subject to acceleration in the event of the non-employee director's death or disability or upon a change in control of the Company. Further, our Non-Executive Chair received an additional 2,000 shares of restricted stock, which additional shares are subject to vesting on the same basis as described above with respect to the 4,000 share award received by all non-employee directors.

In April 2016, the Compensation Committee approved an amendment to the Company's Non-Employee Director Compensation Policy to allow directors to elect to receive their quarterly cash retainer for Board service (but not for Committee service) and their annual equity compensation for the following calendar year in the form of deferred stock units in lieu of restricted stock. These deferred stock units will vest on the same terms as the restricted stock, but they will not result in the delivery of shares of common stock to the director until the director eventually leaves the Board (whether by virtue of expiration of such director's term, removal, resignation or other reason), subject to acceleration in the event of the non-employee director's death or disability or upon a change in control of the Company. The full text of the revised Non-Employee Director Compensation Policy is posted on our investor website at <http://investor.destinationmaternity.com>.

The Company's equity ownership guidelines applicable to named executive officers and non-employee directors require each non-employee director to own shares of the Company's common stock having an aggregate fair market value equal to or greater than four times the annual cash retainer then payable to such non-employee director, measured as of the date of each Annual Meeting of Stockholders. Any non-employee director elected for the first time following the adoption of these guidelines will have three years from the date of such initial election to satisfy the guidelines. Under the terms of the April 2016 amendment to the Company's Non-Employee Director Compensation Policy, any non-employee director who is not in compliance with the Company's equity ownership guidelines will be required to receive his or her quarterly retainer for Board service (but not for committee service) and any future annual equity compensation award in the form of deferred stock units.

Currently all of our non-employee directors for whom the equity ownership guidelines are effective, except Mr. Blitzer, Ms. Payner-Gregor and Mr. Weinstein, hold Company equity in excess of the guidelines' requirement. The Compensation Committee notes that this non-compliance was due to fluctuations in the market value of our Common Stock during the past year. The Compensation Committee further notes that none of these directors have sold equity during their time as directors.

As noted above, according to the Company's Non-Employee Director Compensation Policy, any non-employee director who is not in compliance with the Company's equity ownership guidelines will receive his or her quarterly retainer for Board service (but not for Committee service) in the form of deferred stock units in lieu of cash. Accordingly, Mr. Blitzer, Ms. Payner-Gregor and Mr. Weinstein each received 3,658 deferred stock units in calendar 2016 in payment for the two quarterly retainers that would otherwise have been payable to them in cash during the period between the April 2016 amendment of our Non-Employee Director Compensation Policy and the signing of the Merger Agreement.

Under the terms of the Merger Agreement, the Company is restricted from issuing equity awards during the pre-closing period. As such, for the period of time beginning with the signing of the Merger Agreement, the Compensation Committee waived compliance with the requirements of the equity ownership guidelines pending the closing of the Merger. Accordingly, all non-employee directors received payment of their quarterly retainer for the fourth quarter of fiscal 2016 in cash.

M&A Committee Compensation

In December 2015, our Board of Directors formed an M&A Committee consisting of Messrs. Erdos, Ajdler and Plants to evaluate potential strategic transactions. Mr. Erdos served as Chair of the M&A Committee. Our Board of Directors approved compensation for members of the M&A Committee in addition to the compensation paid to non-employee directors generally.

Specifically, in March 2016, Messrs. Erdos, Ajdler and Plants were granted 5,547, 4,160 and 4,160 shares of restricted stock, respectively, for their service on the M&A Committee. These shares were subject to vesting based on the continued service of the grantee through the earliest of (i) the day prior to our 2017 annual meeting of stockholders, (ii) a cessation of the grantee's service other than due to his resignation, or (iii) a change in control of the Company.

In addition, each member of the M&A Committee received (i) \$1,500 per M&A Committee meeting attended after December 2, 2016, and (ii) \$750 per meeting of the Board of Directors attended after December 2, 2016, if that meeting was called at the request of the M&A Committee. The members of the M&A Committee were also reimbursed for reasonable travel and other out-of-pocket expenses incurred in connection with their service on the M&A Committee.

Our other non-employee directors (i.e., those who did not serve on the M&A Committee) received \$750 for each meeting of our Board of Directors that he or she attended after March 11, 2016, if that meeting was called at the request of the M&A Committee.

Following the execution of the Merger Agreement, the Board of Directors concluded that the M&A Committee had concluded its work and disbanded the M&A Committee on January 15, 2017.

In fiscal year 2016, our non-employee directors received the following compensation:

<u>Name</u>	<u>Fees Earned or Paid in Cash (S)</u>	<u>Stock Awards (S) (1) (2)</u>	<u>Total (S)</u>
Amaud Ajdler	95,500	66,774	162,274
Michael J. Blitzer	39,250	49,524	88,774
Barry Erdos	88,000	64,514	152,514
J. Daniel Plants (3)	66,303	54,514	120,817
Melissa Payner-Gregor	62,245	49,524	111,769
William A. Schwartz, Jr.(4)	14,375	—	14,375
B. Allen Weinstein	51,750	49,524	101,274

- (1) Upon conclusion of the Annual Meeting of Stockholders on May 19, 2016, in accordance with the Company's Non-Employee Director Compensation Policy, the Company granted each non-employee director who was then serving on the Board of Directors at that time 4,000 shares of restricted stock with a grant date fair value of \$24,520, and granted an additional 2,000 shares of restricted stock to Mr. Ajdler for his service as Non-Executive Chairman with a grant date fair value of \$12,260. On March 30, 2016, the Company granted 5,547, 4,160 and 4,160 shares of restricted stock to Messrs. Erdos, Ajdler and Plants, respectively, for their service on the M&A Committee. The grant date fair values of these additional restricted stock awards to Messrs. Erdos, Ajdler and Plants were \$39,994, \$29,994 and \$29,994, respectively. On August 17, 2016, the Company granted 2,101 deferred stock units to each of Mr. Blitzer, Ms. Payner-Gregor and Mr. Weinstein with a grant date fair value of \$12,501 per award. On November 17, 2016, the Company granted 1,557 deferred stock units to each of Mr. Blitzer, Ms. Payner-Gregor and Mr. Weinstein with a grant date fair value of \$12,503 per award. These grant date fair values were computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation ("FASB ASC Topic 718").
- (2) As of the end of fiscal 2016, our non-employee directors held the following unvested stock awards:

<u>Name</u>	<u>Restricted Stock (#)</u>
Amaud Ajdler	10,160
Michael J. Blitzer	4,000
Barry Erdos	9,547
Melissa Payner-Gregor	4,000
B. Allen Weinstein	4,000

- (3) Mr. Plants resigned from the Board of Directors, effective December 20, 2016 and his unvested equity awards were cancelled effective at the time of such resignation.
- (4) Mr. Schwartz's term of service as a member of the Board of Directors ended on May 19, 2016.

PART IV

Item 15. Exhibits, Financial Statement Schedules

<u>Exhibit No.</u>	<u>Description</u>
*2.1	Agreement and Plan of Merger, dated as of December 19, 2016, by and among Destination Maternity Corporation, Orchestra-Prémaman S.A. and US OP Corporation (Exhibit 2.1 to the Company's Current Report on Form 8-K dated December 19, 2016)
*3.1	Restated Certificate of Incorporation of the Company (Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended September 30, 2008)
◇3.2	Bylaws of the Company, effective December 22, 2016
†*10.1	Form of Non-Qualified Stock Option Agreement under the Company's 2005 Equity Incentive Plan (Exhibit 10.29 to the 2006 Form 10-K)
†*10.2	Employment Agreement, dated July 23, 2008, between the Company and Judd P. Timauer (Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 21, 2008 (the "July 21, 2008 Form 8-K"))
†*10.3	Restrictive Covenant Agreement with Judd P. Timauer dated July 23, 2008 (Exhibit 10.2 to the July 21, 2008 Form 8-K)
†*10.4	Employment Agreement, dated April 11, 2011, between Christopher F. Daniel and the Company (Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 11, 2011 (the "April 11, 2011 Form 8-K"))
†*10.5	Amendment, dated August 10, 2011, to the Employment Agreement dated as of July 23, 2008 between Judd P. Timauer and the Company (Exhibit 10.2 to the Company's Current Report on Form 8-K dated August 10, 2011 (the "August 10, 2011 Form 8-K"))
†*10.6	Amendment, dated November 22, 2011, to the Employment Agreement dated as of July 23, 2008 (as amended) between Judd P. Timauer and the Company (Exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended September 30, 2011 (the "2011 Form 10-K"))
†*10.7	Form of Restricted Stock Unit Award Agreement under the Company's 2005 Equity Incentive Plan (Exhibit 10.47 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2011)
†*10.8	Third Amended and Restated Employment Agreement dated March 6, 2012 between Edward M. Krell and the Company (Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 6, 2012)
†*10.9	2005 Equity Incentive Plan (as amended and restated) (Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 25, 2013)
†*10.10	Letter Amendment dated December 7, 2013 to the Employment Agreement between the Company and Judd P. Tirnauer (Exhibit 10.2 to the December 4, 2013 Form 8-K)

<u>Exhibit No.</u>	<u>Description</u>
†*10.11	Destination Maternity Corporation Stock Ownership Guidelines (Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 24, 2014 (the "January 24, 2014 Form 8-K"))
†*10.12	Non-Employee Director Compensation Policy (Exhibit 10.2 to the January 24, 2014 Form 8-K)
†*10.13	Release and Separation Agreement dated August 10, 2014, between the Company and Edward M. Krell (Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 10, 2014 (the "August 10, 2014 Form 8-K"))
†*10.14	Employment Agreement dated August 10, 2014, between the Company and Anthony M. Romano (Exhibit 10.2 to the August 10, 2014 Form 8-K)
†*10.15	Destination Maternity Corporation 2013 Management Incentive Program, as amended effective December 3, 2014 (Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 1, 2014 (the "December 1, 2014 Form 8-K"))
†*10.16	Letter Agreement between the Company and Judd P. Timauer dated December 3, 2014 (Exhibit 10.4 to the December 1, 2014 Form 8-K)
†*10.17	Letter Agreement between the Company and Anthony M. Romano dated December 3, 2014 (Exhibit 10.5 to the December 1, 2014 Form 8-K)
†*10.18	Form of Restricted Stock Unit Award Agreement under the Company's 2005 Equity Incentive Plan (Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 1, 2015)
†*10.19	Separation and Release Agreement dated December 17, 2015, between the Company and Christopher F. Daniel (Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 17, 2015)
*10.20	Non-Disclosure Agreement dated March 15, 2016, between the Company and Orchestra-Prémaman S.A. (Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 15, 2016)
*10.21	Term Loan Credit Agreement dated March 25, 2016, among the Company and Cave Springs, Inc., as Borrowers, Mothers Work Canada, Inc. and DM Urban Renewal, LLC, as Guarantors, each lender from time to time party hereto, Wells Fargo Bank, National Association, as Administrative Agent, Joint Lead Arranger and Sole Bookrunner, and TPG Specialty Lending, Inc., as Joint Lead Arranger and Documentation Agent (Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 25, 2016 (the "March 25, 2016 Form 8-K"))
*10.22	Amended and Restated Credit Agreement, dated March 25, 2016, among the Company and Cave Springs, Inc., as Borrowers, Mothers Work Canada, Inc. and DM Urban Renewal, LLC, as Guarantors, each lender from time to time party hereto and Wells Fargo Bank, National Association, as Administrative Agent and Swing Line Lender and Letter of Credit Issuer (Exhibit 10.2 to the March 25, 2016 Form 8-K)
*10.23	Intercreditor Agreement dated March 25, 2016, among Wells Fargo Bank, National Association, as ABL Agent and Wells Fargo Bank, National Association, as Term Agent, acknowledged by the Company, Cave Springs, Inc., Mothers Work Canada, Inc. and DM Urban Renewal, LLC (Exhibit 10.3 to the March 25, 2016 Form 8-K)

<u>Exhibit No.</u>	<u>Description</u>
†*10.24	Transaction Bonus Agreement, dated May 31, 2016, by and between the Company and Anthony M. Romano (Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 31, 2016 (the "May 31, 2016 Form 8-K"))
†*10.25	Transaction Bonus and Retention Agreement, dated May 31, 2016, by and between the Company and Ronald J. Masciantonio (Exhibit 10.2 to the May 31, 2016 Form 8-K)
†*10.26	Amended and Restated Executive Employment Agreement, dated May 31, 2016, by and between the Company and Ronald J. Masciantonio (Exhibit 10.3 to the May 31, 2016 Form 8-K)
†*10.27	Executive Employment Agreement dated July 20, 2016 between David Stern and the Company (Exhibit 10.1 to the Company's Current Report on Form 8-K dated August 1, 2016 (the "August 1, 2016 Form 8-K"))
†*10.28	Non-Qualified Stock Option Inducement Award Agreement dated August 1, 2016 between David Stern and the Company (Exhibit 10.2 to the August 1, 2016 Form 8-K)
†*10.29	Restricted Stock Inducement Award Agreement dated August 1, 2016 between David Stern and the Company (Exhibit 10.3 to the August 1, 2016 Form 8-K)
†*10.30	Restricted Stock Unit Inducement Award Agreement dated August 1, 2016 between David Stern and the Company (Exhibit 10.4 to the August 1, 2016 Form 8-K)
*10.31	Governance Agreement, dated as of December 19, 2016, by and among Destination Maternity Corporation, Orchestra-Prémaman S.A. and Yeled Invest S.à.r.l. (Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 19, 2016 (the "December 19, 2016 Form 8-K"))
*10.32	Consent and Amendment No. 1 to Amended and Restated Credit Agreement, dated as of December 18, 2016, by and among Wells Fargo Bank, National Association, Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc. and DM Urban Renewal, LLC (Exhibit 10.2 to the December 19, 2016 Form 8-K)
*10.33	Consent and Amendment No. 1 to Term Loan Credit Agreement, dated as of December 18, 2016, by and among Wells Fargo Bank, National Association, TPG Specialty Lending, Inc., Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc., and DM Urban Renewal, LLC (Exhibit 10.3 to the December 19, 2016 Form 8-K)
*10.34	First Amendment to Intercreditor Agreement, dated December 18, 2016, by and among Wells Fargo Bank, National Association, Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc. and DM Urban Renewal, LLC (Exhibit 10.4 to the December 19, 2016 Form 8-K)
†*10.35	Amendment to Transaction Bonus Agreement, dated January 6, 2017, by and between the Company and Anthony M. Romano (Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 6, 2017 (the "January 6, 2017 Form 8-K"))
†*10.36	Amendment to Transaction Bonus and Retention Agreement, dated January 6, 2017, by and between the Company and Ronald J. Masciantonio (Exhibit 10.2 to the January 6, 2017 Form 8-K)

<u>Exhibit No.</u>	<u>Description</u>
◇10.37	Consulting Agreement, dated as of January 27, 2017, by and between Destination Maternity Corporation and Orchestra-Prémaman USA Inc.
◇10.38	Consulting Agreement for Construction Project Management and Architectural Services, dated as of February 3, 2017, by and between Destination Maternity and Orchestra-Prémaman USA Inc.
*10.39	Amendment No. 2 to Amended and Restated Credit Agreement, dated as of April 7, 2017, by and among Wells Fargo Bank, National Association, Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc. and DM Urban Renewal, LLC (Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 7, 2017 (the "April 7, 2017 Form 8-K"))
*10.40	Amendment No. 2 to Term Loan Credit Agreement, dated as of April 7, 2017, by and among Wells Fargo Bank, National Association, TPG Specialty Lending, Inc., Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc., and DM Urban Renewal, LLC (Exhibit 10.2 to the April 7, 2017 Form 8-K)
*10.41	Second Amendment to Intercreditor Agreement, dated as of April 7, 2017, by and among Wells Fargo Bank, National Association, Destination Maternity Corporation, Cave Springs, Inc., Mothers Work Canada, Inc. and DM Urban Renewal, LLC (Exhibit 10.3 to the April 7, 2017 Form 8-K)
◇10.42	Product Purchase Agreement, dated as of May 1, 2017, by and between Orchestra Prémaman USA Inc. and Destination Maternity Corporation.
†◇10.43	Executive Employment Agreement, dated as of February 21, 2017, by and among Ronald J. Masciantonio, Orchestra-Prémaman S.A. and US OP Corporation.
†◇10.44	Bonus Deferral Letter, dated April 6, 2017, by and between Destination Maternity Corporation and Anthony M. Romano.
*21	Subsidiaries of the Company (Exhibit 21 to the Company's Annual Report on Form 10-K for the year ended September 30, 2014)
◇23	Consent of KPMG LLP
◇31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
◇31.2	Certification of the Executive Vice President & Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	Certification of the Executive Vice President & Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
◇32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

<u>Exhibit No.</u>	<u>Description</u>
◇32.2	Certification of the Executive Vice President & Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
◇101.INS	XBRL Instance Document
◇101.SCH	XBRL Taxonomy Extension Schema Document
◇101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
◇101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
◇101.LAB	XBRL Taxonomy Extension Label Linkbase Document
◇101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	Incorporated by reference.
†	Management contract or compensatory plan or arrangement.
◇	Previously filed.

INDEX OF EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
31.3	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	Certification of the Executive Vice President & Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

**SARBANES-OXLEY
SECTION 302 CERTIFICATION**

I, Anthony M. Romano, certify that:

1. I have reviewed this Amendment #2 to Annual Report on Form 10-K/A of Destination Maternity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 8, 2017

/s/ Anthony M. Romano
Anthony M. Romano
Chief Executive Officer & President

**SARBANES-OXLEY
SECTION 302 CERTIFICATION**

I, David Stern, certify that:

1. I have reviewed this Amendment #2 to Annual Report on Form 10-K/A of Destination Maternity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 8, 2017

/s/ David Stern

David Stern

Executive Vice President & Chief Financial Officer