

DESTINATION MATERNITY CORPORATION

BOARD OF DIRECTORS

AUDIT COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Destination Maternity Corporation (the “Company”) in undertaking and fulfilling its oversight responsibilities in connection with: (a) overseeing the accounting and financial reporting processes, which are designed to ensure the integrity and completeness of financial reports prepared by the Company for submission to any governmental or regulatory body or the public; (b) reviewing the Company’s systems of internal controls established for finance, accounting, legal compliance and ethics, and overseeing changes to correct internal control weaknesses, if necessary; (c) assessing the processes relating to the determination and mitigation of financial risks; (d) monitoring compliance with legal regulatory requirements; (e) overseeing the Company’s relationship with its independent public accountants and monitoring their independence and performance; (f) overseeing and reviewing the audits of the Company’s financial statements; and (g) providing effective communication between the Board, senior and financial management and the Company’s independent public accountants.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full power and all necessary resources to retain special legal, accounting or other consultants to advise the Committee.

II. MEMBERSHIP AND TERM

A. *Membership.*

The Committee shall be comprised of at least three members of the Board. The Committee will comply with all applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (“SEC”) and The Nasdaq Stock Market (“Nasdaq”), including the Nasdaq independence requirements for Committee members. Accordingly,

Each member of the Committee must be an independent director free from any relationship that, in the judgment of the Board, may interfere with the exercise of the member’s independence;

Each member of the Committee must not be the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the Company;

Each member of the Committee must not be an employee of the Company;

Each member of the Committee must not directly or indirectly receive any payments from the Company other than in such member’s capacity as a member of the Committee, the Board, or any other Board committee;

Each member of the Committee must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement;

At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in such individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities;

Each member of the Committee must, in the judgment of the Board, have sufficient time to devote to service as a member of the Committee, considering the other professional and personal commitments of such member, including other Board duties and obligations; and

Each member must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

B. *Term*

The members of the Committee shall be appointed for a one year term by the Board at its annual meeting. Any vacancy occurring in the Committee shall be filled by the Board. Any such Committee member so elected shall hold office for a term expiring at the Board's next annual meeting. Unless a Chairman of the Committee is designated by the Board, the members of the Committee will elect a Chairman by formal vote of the Committee's full membership. Should any member of the Committee cease to be independent, such member shall immediately resign his or her membership on the Committee. The Board of Directors may remove a member of the Committee at any time with or without cause. In the case of a vacancy on the Committee, the Board may appoint an independent director to fill the vacancy for the remainder of the term.

III. RELATIONSHIP WITH INDEPENDENT ACCOUNTANTS

The Company's independent public accountants shall be accountable to the Committee, and the Committee shall have sole authority to select, evaluate and replace the Company's independent public accountants. The Company's independent public accountants

shall directly report to the Committee, and the Committee shall be directly responsible for the compensation and oversight of the work of the Company's independent public accountants engaged (including resolutions of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Committee will ascertain that the independent public accountants will be available to the full Board at least annually (and more frequently if deemed appropriate by the Committee) to provide the Board with a timely analysis of significant financial reporting issues. The Committee will not engage the independent public accountants to perform any services that are not permitted by the Securities Exchange Act of 1934 ("Exchange Act").

IV. MEETINGS

The Committee shall meet at such times and from time to time as it deems to be appropriate, but not less than quarterly. Meetings of the Committee may be held upon the call of any Committee member by mailing a written notice stating the day, hour and geographic location, if any, of such meeting, to each Committee member at his or her last known post office address, by causing the same to be delivered personally or by transmitting such notice by telegram, overnight courier service, facsimile, e-mail, or by communicating the contents of the notice orally by telephone or in person, to each Committee member, in any case, at least two days before the meeting. Notice may be waived in writing before or after the time of such meeting, and attendance of a Committee member at a meeting shall constitute a waiver of notice thereof. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in the notice of such meeting. Members of the Committee may attend a meeting by telephone conference.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent public accountants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Minutes of each meeting of the Committee shall be reduced to writing. Except as otherwise provided by statute or this Charter, a majority of the members of the Committee shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the Committee members present and voting at any meeting at which a quorum is present shall be the act of the Committee. The Committee shall report to the Board at the first Board meeting following each such Committee meeting. The Committee may also act by unanimous written consent without a meeting. As part of its job to foster open communication, the Committee should meet, whenever deemed appropriate by the Committee, with management and/or the independent public accountants in separate sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee should meet with the independent public accountants and management quarterly to review the Company's financial statements and related materials as described below.

V. RESPONSIBILITIES

The following guidelines enumerate the duties, responsibilities and authority of the Committee in carrying out its oversight role. These guidelines are set forth as a guide, with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

1. Hold such regular meetings as may be necessary and such special meetings as may be called by the Chairman of the Committee or at the request of the independent public accountants or management.

2. Review with management and the independent public accountants the audited financial statements and related footnotes, and the clarity of the disclosures in the financial statements, to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of Form 10-K) prior to the filing of the Form 10-K (and, to the extent practicable, prior to the annual earnings release), including a review of major issues regarding accounting and auditing principles and practices and any related party transactions as well as the adequacy of internal controls that could significantly affect the Company's financial statements, and review and consider with the independent public accountants the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard 16.

3. Review with management and the independent public accountants their judgments about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity and transparency of the disclosures in the financial statements.

4. Prepare the report required by the rules of the SEC regarding the Committee to be included in the Company's annual proxy statement. The Committee will include a statement within such report on whether the Committee has recommended that the financial statements be included in the Form 10-K.

5. Discuss with the independent public accountants and management whether the Company's interim accounting policies and practices as well as significant events, transactions and changes in accounting estimates were considered by the independent public accountants (after performing their required quarterly review) to have affected the quality of the Company's financial reporting. Such review will occur prior to the Company's filing of the Form 10-Q for each of the first three fiscal quarters for each such quarter and, to the extent practicable, prior to the quarterly earnings release.

6. Review the Company's disclosures contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Company's Annual Report on Form 10-K, Quarterly Report on Form 10-Q or other pertinent form, as applicable.

7. Review the Company's earnings press releases, including the use of "pro-forma" or "adjusted" non-GAAP information (subject to compliance with law and applicable SEC rules, including Regulation G), as well as financial information and earnings guidance provided to analysts and rating agencies, and discuss any of the foregoing with management to the extent desired by any member of the Committee. Such discussion may be general in nature (consisting of discussing the types of information to be disclosed and the types of presentations to be made).

8. Meet periodically with management and the independent public accountants to review the Company's major financial risk exposures and the steps taken to monitor and control such exposures.

9. Discuss with management and the independent public accountants the effect of regulatory and accounting initiatives, including pronouncements by the Financial Accounting Standards Board, the SEC and other agencies or bodies, on the Company's financial statements.

10. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer, or the Company's disclosure committee or any member thereof, during their certification process for the Form 10-K or Form 10-Q, as appropriate, about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

11. Review any relevant financial reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent public accountants.

12. Review and discuss, on an annual and quarterly basis with the independent public accountants, the following:

- a. all critical accounting policies and practices used;
- b. all alternative disclosures and treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and
- c. all material written communications between the independent public accountants and management, such as any management letter or schedule of unadjusted differences.

13. Obtain from the independent public accountants their recommendation regarding internal controls and other matters relating to the accounting procedures and the books and records of the Company and the correction of controls deemed to be deficient. After the completion of the audit, the Committee shall review with the independent public accountants any problems or difficulties the independent public accountants may have encountered.

14. Receive periodic reports from the independent public accountants regarding relationships between the independent public accountants and the Company consistent with Public Company Accounting Oversight Board Rule 3526, Communication with Audit Committees Concerning Independence. The Committee shall also discuss with the independent public accountants any such disclosed relationships and their impact on the independent public accountants' independence. The Committee shall take appropriate action to ensure the continuing objectivity and independence of the independent public accountants.

15. Pre-approve all auditing services and permitted non-audit services and approve the fees for such services and terms thereof to be performed for the Company by its independent public accountants in one of two methods. Under the first method, and in accordance with the Committee's Pre-Approval Policy, the engagement to render the services

would be entered into pursuant to pre-approval policies and procedures established by the Committee, detailing the services to be performed, requiring the Committee to be informed of each service, and not permitting delegation of the Committee's responsibilities to the Company's management with respect to the engagement or approval of fees of the Company's independent public accountants. Under the second method, the engagement to render the services would be presented to and pre-approved by the Committee (subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit). The Chairman of the Committee will have the authority to grant pre-approvals of audit and permissible non-audit services by the independent public accountants, provided that all pre-approvals by the Chairman must be presented to the full Committee at its next scheduled meeting.

16. Adopt regular and separate systems of reporting to the Committee by management and the internal auditors regarding controls and operations of the Company's business units with particular emphasis on risk and profitability.

17. Adopt procedures, as set forth in the Procedures for Investigating Complaints policy, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

18. Review with the independent public accountants and the internal auditors, if any, the coordination of audit efforts to promote a reduction of redundant efforts and the effective use of audit resources.

19. Ensure the timely rotation of the lead partner and the concurring partner (sometimes described as the reviewing partner), as defined in Rule 2-01 of Regulation S-X.

20. Recommend to the Board policies for the Company's hiring of current employees of the independent public accountants or former employees who participated in any capacity in the audit of the Company.

21. Review with the Company's general counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

22. Establish, review, and update periodically a code of business conduct and ethics that covers, among other things, business ethics, securities law requirements and procedures and policies in connection with transactions between the Company and covered persons, and ensure that management has established a system to enforce this code. Review the procedures established by the Company that monitor the compliance by the Company with its code of business conduct and ethics applicable to directors, officers and employees, and compliance with its loan and indenture covenants and restrictions. Review and evaluate whether Company management is adequately communicating to all covered persons the importance of complying with the code.

23. Review the report of management of the Company on its assessment of the design and effectiveness of internal controls and financial reporting, and the report of the independent public accountants on management's assertion contained in its report. Review and evaluate whether Company management is adequately communicating the importance of internal controls to all relevant persons.

24. Establish, review, and update periodically policies and procedures in connection with approving any related party transactions between the Company and directors, officers or employees, and ensure that management has established a system to enforce these policies and procedures. Review the procedures established by the Company to monitor compliance by the Company with these policies and procedures, and whether the Company is complying with these policies and procedures.

25. Conduct or authorize investigation into any matters within the Committee's scope of responsibilities with full access to all books, records, facilities and personnel of the Company and direct access to the independent public accountants.

26. Consider such other matters in relation to the financial affairs of the Company and its accounts, and in relation to the audit of the Company, as the Committee may, in its discretion, determine to be advisable.

27. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. Additionally, the Committee shall annually evaluate its own performance.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with the generally accepted accounting principles. This is the responsibility of management and the independent public accountants.

The Committee recognizes that the Company's management is responsible for preparing the Company's financial statements, and the independent public accountants are responsible for auditing or reviewing those financial statements in compliance with applicable law. The Committee also recognizes that management of the Company and the independent public accountants have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibility, the

Committee will not provide any professional certification as to the independent public accountants' work. In addition, it is not the duty of the Committee to assure compliance with laws and regulations.

VI. AUTHORITY

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel to represent the Committee (which may be the Company's general outside counsel) or other experts or consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Committee will be provided with appropriate funding by the Company, as the Committee determines, for the payment of compensation to the independent public accountants, outside counsel and other advisors as it deems appropriate, and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. Any communications between the Committee and outside counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications except to the extent otherwise determined by the Committee.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

Revised effective 12/03/2014