

CHARMING SHOPPES, INC.
PRINCIPLES OF CORPORATE GOVERNANCE

The Board of Directors of Charming Shoppes, Inc. (“Charming”) is committed to establishing corporate governance standards which will enable the Board to function effectively and act in the best interests of the Charming shareholders. These standards, together with Charming’s Articles of Incorporation and Bylaws and the Charters of the Board Committees, provide the framework for the governance of Charming. The principal duties of the Board are to:

- (a) Review and approve Charming’s strategic and annual operating plans and monitor Charming’s performance against these plans;
- (b) Advise and counsel management on corporate issues;
- (c) Select and motivate Charming’s Chief Executive Officer and evaluate his or her performance;
- (d) Determine the compensation of Charming’s Chief Executive Officer;
- (e) Review, and approve as necessary, succession planning and compensation of senior management;
- (f) Review the operation and structure of Charming’s Board so that it meets the standards of good corporate governance as may be established by the Board from time to time; and
- (g) Oversee the processes for maintaining Charming’s integrity with regard to its financial statements and other public disclosures and compliance with laws and ethics.

The Board of Charming has established the following standards of Corporate Governance which will be reviewed on an annual basis and revised, if necessary:

- (i) Size of Board and Independence. Charming’s Articles of Incorporation provide that the Board shall consist of no fewer than six (6) directors and no more than twelve (12) directors, as may be fixed from time to time by the Board. Not more than one (1) executive officer, who shall be the Chief Executive Officer, may be a member of the Board. The remaining members of the Board shall be independent in that none of them shall have any monetary (other than compensation for services as a director), financial or commercial relationship with Charming that, in the opinion of the Board, might interfere with their exercise of independent judgment as a Board member and shall otherwise meet the independence standards in accordance with the “independent” rules of the

Securities and Exchange Commission, the NASDAQ Marketplace Rules, the NASDAQ Global Select Market listing requirements and other applicable law.

- (ii) Committees of the Board. The Board shall appoint an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee, and an Administration Committee. The members and chairs of these committees shall be recommended to the Board by the Corporate Governance and Nominating Committee in consultation with the Chief Executive Officer. The Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee shall be comprised only of independent directors, all in accordance with the applicable rules of the Securities and Exchange Commission, the NASDAQ Marketplace Rules, the NASDAQ Global Select Market listing requirements and other applicable law. The Administration Committee shall be comprised of the Chairman, the Chief Executive Officer, and two independent directors. The membership of these four committees shall be rotated from time to time.

Audit Committee: The duties, responsibilities and functions of the Audit Committee are set forth in the Charter of the Audit Committee attached hereto as Exhibit “A”, as it may be amended from time to time.

Compensation Committee: The duties, responsibilities and functions of the Compensation Committee are set forth in the Charter of the Compensation Committee attached hereto as Exhibit “B”, as it may be amended from time to time.

Corporate Governance and Nominating Committee: The duties, responsibilities and functions of the Corporate Governance and Nominating Committee are set forth in the Charter of the Corporate Governance and Nominating Committee attached hereto as Exhibit “C”, as it may be amended from time to time.

Administration Committee: The Administration Committee is authorized to exercise the authority of the Board of Directors on matters of a routine nature between meetings of the Board of Directors.

The responsibilities of each of the Committees shall be determined by the Board from time to time.

- (iii) Committee Procedures: The scheduling of and agenda for meetings of each of these committees are to be determined by the chair of such committee in consultation with the Chairman of the Board. Each meeting must afford sufficient time to consider each agenda item appropriately. Materials related to each agenda item are to be provided to the committee members sufficiently in advance of the meetings so as to enable them to adequately prepare for discussion at the meeting. Agenda details and the minutes of each committee meeting will be shared with the full Board. Each Committee is responsible for preparing an annual performance self-evaluation.
- (iv) Criteria/Qualifications for Director Selection: Final approval of a candidate for Board nomination and submission to shareholders for approval and election to the Board is determined by the Board after the recommendation by the Corporate Governance and Nominating Committee. Similarly, approval of a candidate for election to the Board to fill a vacancy is determined by the Board after the recommendation by the Corporate Governance and Nominating Committee. In addition to considering a candidate's personal character, integrity, foresight, intelligence and judgment, the Board will also consider the requisite mix of director experiences, skills, perspectives and diversity that is most appropriate for Charming. Candidates suggested by Shareholders are evaluated by the Corporate Governance and Nominating Committee in the same manner as other candidates.
- (v) Retirement Age; Change in Principal Occupation or Business Association: No independent director shall be nominated for re-election at the annual meeting for an additional term in the event that such director shall have attained age 72 on the date of his or her re-election. When a director's principal occupation or business association changes substantially during his or her tenure as a director, that director shall offer his or her resignation for consideration by the Corporate Governance and Nominating Committee. That Committee will recommend to the Board the action, if any, to be taken with respect to the offer of resignation, including whether to accept or reject the offer of resignation.
- (vi) Board Memberships: Each director must be prepared to make a significant time commitment to the performance of his or her duties as a director. It is recommended that each director should

not serve on more than four other boards of public companies in addition to Charming's Board.

- (vii) Compensation: Director compensation shall be in the form of cash and/or equity-based grants and shall be reviewed annually by the Corporate Governance and Nominating Committee, which shall recommend to the Board for its determination the appropriate compensation.
- (viii) Position of Chairman of the Board: Subject to a determination by the Board that it is in the Company's best interest to permit the Chairman of the Board to serve as an executive officer on an interim basis, the Chairman of the Board shall not be an executive officer of Charming.
- (ix) Evaluation of Chief Executive Officer: The Compensation Committee, in consultation with the Chairman of the Board, is responsible for developing the corporate goals and objectives relevant to the evaluation and compensation of the Chief Executive Officer. The Compensation Committee and Chairman of the Board shall meet annually with the Chief Executive Officer to receive his or her recommendations concerning such goals. These goals are then submitted to the independent directors of the Board meeting in executive session for consideration and approval. The Compensation Committee, in consultation with the Chairman of the Board, shall evaluate the performance of the Chief Executive Officer against the approved goals and based upon this evaluation, shall recommend for approval by a majority of the independent directors meeting in executive session the compensation of the Chief Executive Officer. The Chief Executive Officer shall not be present when the independent directors deliberate or vote on his or her compensation. The Chair of the Compensation Committee and the Chairman of the Board shall then meet with the Chief Executive Officer to communicate the results of the evaluation and his or her compensation.
- (x) Succession Plans: The Compensation Committee shall establish and maintain a management succession process, in consultation with the Chairman of the Board, including, (a) planning for the successor to the Chief Executive Officer, who shall be approved by a majority of the independent directors of the Board meeting in executive session; and (b) planning for the successors to other senior executives in consultation with the Chief Executive Officer, who shall be approved by the Board meeting in executive session.

- (xi) Periodic Assessment of Effectiveness of Board of Directors: The Corporate Governance and Nominating Committee shall review the Board's processes and performance as a whole with the objective of increasing its effectiveness. The results of such review process shall be shared with the full Board and with senior management.
- (xii) Regular Meetings of Independent Directors Separate from Management: The independent directors shall meet privately in executive session at least three times a year to consider issues required to be considered by them in executive session by these Principles of Corporate Governance and such other issues they deem important to consider without management present. The Chairman of the Board will assume the responsibility of chairing these meetings of independent directors and other responsibilities which the independent directors as a whole might designate to that person from time to time.
- (xiii) Board Meeting Agendas, Materials and Presentations: The Chairman and the Chief Executive Officer shall establish the agendas for Board meetings. Each director is free to suggest items for inclusion in the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting. Board materials relating to agenda items shall be provided to Board members sufficiently in advance of meetings when necessary so as to allow the directors to prepare for discussion of the items at the meeting. In particular, presentations on specific subjects should, when practicable, be sent to Board members in advance so as to focus the Board meeting on discussion and questions, rather than presentation. If the subject matter is sensitive, an oral presentation on that matter at the meeting will suffice.
- (xiv) Ethics; Conflicts of Interest: The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities. The Board expects Charming directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to Charming's Standards of Business Conduct Policy. If a director becomes involved in activities or interests that could result in an actual or potential conflict of interest with Charming, the director is required to disclose such conflict promptly to the Board. The Board will determine an appropriate resolution on a case-by-case basis. Any waiver of the provisions in this Policy for directors and executive officers may only be granted by the Board. Charming intends to post any amendments to or waivers of its Standards of Business Conduct (to

the extent applicable to Charming's Chief Executive Officer, Chief Financial Officer or Principal Accounting Officer) on its website and also to disclose the waivers on a Form 8-K within the prescribed time period. Any waiver of the Policy for other associates may only be granted by the Company's Executive Vice President – General Counsel.

- (xv) Director Education: The Corporate Governance and Nominating Committee shall take steps to facilitate the education of Charming's directors on matters of corporate governance and other matters that may be of value to Charming by causing materials and publications to be distributed among Board members, making details of continuing education programs available to Board members and encouraging their attendance at such programs.
- (xvi) Board Interaction with Shareholders and other Third Parties: Directors may, from time to time, be in contact with shareholders, sellers of businesses or merger partners, governmental or community officials, vendors, service providers, analysts, the press or others. It is the policy of Charming that management speaks for Charming. Accordingly any inquiries from analysts or the media shall be referred to the Chief Executive Officer. Outside directors shall also refrain from speaking for the Company or the Board, unless asked to do so by the Chief Executive Officer or Chairman of the Board, and shall promptly notify the Chief Executive Officer or the Chairman of the Board of any communications of substance with a third party relating to the Company or its business. In no event shall any Director disclose any material non-public information concerning the Company. The Chairman of the Board and Chief Executive Officer shall report quarterly to the Board on any communications of substance with shareholders or other stakeholders.
- (xvii) Change of Control Transactions: Transactions which contemplate change of control of a publicly owned company raise extremely sensitive and important business and legal issues. Among these are the protection of proprietary company information, the possible loss of key personnel and the obligations owed to shareholders generally. In order to ensure that transactions involving a potential change of control of Charming (each, a "Control Transaction") are handled in an appropriate manner, the following is adopted as the policy of the Board of Charming:

- (a) Any inquiry from a third party with respect to a Control Transaction shall be immediately referred to the Chief Executive Officer. The Chief Executive Officer shall consult with the Board in determining an appropriate response; and
- (b) No officer or director of Charming shall initiate any discussions with a third party with respect to a Control Transaction without the approval of the Board.

Approved by the Board of Directors June 24, 2009

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EXHIBIT “A”

CHARMING SHOPPES, INC. AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

1. PURPOSE

The purposes of the Audit Committee are to assist the Board of Directors in fulfilling its oversight responsibilities to the Company’s shareholders, the investment community and others and to oversee the accounting and financial reporting processes of the Company, including its internal control over financial reporting, and the audits of the Company’s financial statements and its internal control over financial reporting. In furtherance of those oversight responsibilities, the Audit Committee’s primary duties and responsibilities are to:

- (a) Serve as an independent and objective party to monitor the quality, reliability and integrity of the Company’s accounting and financial reporting processes, including its internal control over financial reporting.
- (b) Monitor compliance with ethics policies, and legal and regulatory requirements.
- (c) Review and evaluate the qualifications, independence and performance of the Company’s independent auditors and internal auditors.
- (d) Be directly responsible for the appointment, retention and compensation of the independent auditors, including pre-approving all audit, audit related and permissible non-audit services.
- (e) Provide an open avenue of communication among and individually with the independent auditors, internal auditors, members of management and the Board of Directors, and take appropriate actions resulting from this interaction.

Consistent with these duties and responsibilities, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company’s accounting and financial reporting policies, procedures and practices at all levels.

The Audit Committee has the authority to retain and consult with, at the Company’s expense, outside legal, accounting, or other advisors or experts it deems necessary or appropriate in the performance of its duties and responsibilities. In addition, the Audit Committee has the authority to conduct any investigation it deems necessary in fulfilling its duties and responsibilities.

2. COMPOSITION

The Audit Committee shall be comprised of three or more directors, each of whom shall be an independent non-executive director who is not an affiliated person of the Company, who does

not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company other than in his or her capacity as a member of the Board of Directors or any of its committees, and who is otherwise free from any relationship that the Board of Directors finds would interfere with the exercise of his or her independence from management and the Company, in each case, in accordance with the applicable independence requirements of the Sarbanes-Oxley Act of 2002 and related rules of the Securities and Exchange Commission (SEC) and the NASDAQ Marketplace Rules and NASDAQ Global Select Market listing requirements.

Each member of the Audit Committee shall be financially literate and able to read and understand the Company's financial statements. In addition, at least one member of the Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background that results in financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. This member must also, in the judgment of the Board of Directors, fall within the SEC's definition of an audit committee financial expert.

The members of the Audit Committee shall be elected by the Board of Directors at the annual meeting of the Board and shall serve until their successors shall be duly elected and qualified. The Chair of the Committee shall be elected by the Board of Directors.

3. MEETINGS

The Audit Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee shall meet in executive sessions at least annually with management, the Director of Business Assurance and Advisory Services (Internal Audit), the independent auditors, and independently as a Committee to discuss any matters that the Committee or any of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditors and management quarterly.

4. RESPONSIBILITIES

The Audit Committee's primary responsibility is one of oversight of the Company's auditing, accounting and financial reporting processes including its internal control over financial reporting on behalf of the Company's Board of Directors. The Company's management is responsible for the preparation, presentation and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining effective internal control over financial reporting. The independent auditors are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with generally accepted accounting principles, reviewing the Company's unaudited quarterly financial statements and auditing and expressing an opinion on the effectiveness of the Company's internal control over financial reporting. In addition, the Committee recognizes that financial management, the independent auditors, and the internal auditors have more time, knowledge and more detailed information on the Company

than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.

While the Audit Committee believes its policies and practices should remain flexible to best react to a changing environment, to fulfill its responsibilities the Audit Committee shall:

(a) **Financial Reporting Process**

1. Make regular reports to the Board of Directors and review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval. The Committee shall publish the Charter in accordance with the rules and regulations of the SEC and conduct an annual evaluation of the performance of the Committee in fulfilling its duties and responsibilities under this Charter.
2. Prepare the Audit Committee report as required by the SEC and publish this report in the Company's annual Proxy Statement.
3. Review with management, the independent auditors and internal auditors the annual and quarterly financial results before release of earnings.
4. Review with management, the independent auditors and internal auditors the Company's annual audited financial statements, including the clarity of financial and non-financial disclosures made in the Company's financial statements, footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K, before filing and distribution. Such review shall include discussing with the independent auditors those matters required to be communicated under the standards of the Public Company Accounting Oversight Board. Based on these reviews, the Audit Committee will advise the Board of Directors whether it recommends that the audited financial statements be included in the Annual Report on Form 10-K.
5. Review with management, the independent auditors and internal auditors the Company's unaudited quarterly financial statements, including the clarity of financial and non-financial disclosures made in the Company's financial statements, footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's quarterly reports on Form 10-Q, before filing and distribution. Such review shall include discussing with the independent auditors those matters required to be communicated under the standards of the Public Company Accounting Oversight Board. The Chair of the Committee may represent the Audit Committee for purposes of this review.

6. Review with management, the independent auditors and the internal auditors, the quality, reliability and integrity of the Company's accounting and financial reporting processes; the adequacy and effectiveness of internal control over financial reporting, including any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting; and significant changes in internal control over financial reporting that has materially effected or is reasonably likely to materially affect, the Company's internal control over financial reporting; any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting; management's evaluation of the effectiveness of the Company's disclosure controls and procedures; management's assessment process and evaluation of the effectiveness of the Company's internal control over financial reporting; the disclosures regarding controls and procedures required by the rules and regulations of the SEC to be contained in the Company's periodic reports; and the certifications, attestations or reports relating to such disclosures.
7. Review with management, the independent auditors and the internal auditors the Company's critical accounting policies and practices; significant financial reporting issues and judgments and estimates made in connection with the preparation of the financial statements; the quality, not just the acceptability, of the accounting principles and underlying estimates used in the financial statements; major issues regarding accounting principles and financial statement presentations, including any changes in the Company's selection or application of accounting principles; the effects of alternative treatments under generally accepted accounting principles on the financial statements that have been discussed with management and other material communications between the independent auditors and management, such as any unadjusted differences and accounting adjustments that were noted or proposed by the independent auditors but were passed (as immaterial or otherwise).
8. Discuss the nature of any unusual or significant commitments or contingent liabilities and the Company's policies with respect to risk assessment and risk management, including major financial risk exposures and the steps management has taken to monitor and control such exposures.
9. Discuss generally with management the Company's earnings press releases before issuance, as well as financial and statistical information and earnings guidance provided to analysts, and rating agencies and others from time to time.

(b) **Independent Auditors**

1. Be directly responsible for the appointment (subject, if applicable, to shareholder ratification), retention, compensation (at the Company's expense), oversight and evaluation of the work of the Company's independent auditors (including the resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The independent auditors shall report directly to the Audit Committee. The evaluation by the Committee should include the review and evaluation of the lead partner of the independent auditors and take into account the opinions of management and the Company's personnel responsible for internal audit.
2. Pre-approve all audit, audit related and permissible non-audit services to be performed by the independent auditors pursuant to pre-approval policies and procedures established by the Audit Committee; or delegate the authority to pre-approve such services to one or more members of the Audit Committee, who shall report any decision to pre-approve any such service to the full Committee at its regularly scheduled meetings.
3. Be responsible for assuring its receipt from the independent auditors of a formal written statement delineating all relationships between the independent auditors and the Company, pursuant to applicable requirements of the Public Company Accounting Oversight Board, and for actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for taking appropriate action to oversee the independence of the outside auditors.
4. Obtain and review, at least annually, a report by the independent auditors describing the independent auditors internal quality-control procedures and any material issues raised by the most recent internal quality-control review, peer review, or Public Company Accounting Oversight Board inspection, of the independent auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
5. Review with the independent auditors and determine that the independent auditor has a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required by the SEC independence rules.

6. Review with the independent auditors the scope, fees, engagement letter terms and nature of the prospective audit and related audit plan and significant changes thereto, as well as the extent of reliance upon management, and coordination with the internal auditors.
7. Discuss with the independent auditors any issues reviewed with the auditor's national office regarding auditing or accounting issues identified during the engagement.
8. Review with the independent auditors any audit problems or difficulties encountered during the course of the audit work, including any restrictions on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with management, including management's response to such matters; and any findings and recommendations the independent auditors may have, together with management's responses and action plans, relating to the internal controls and accounting policies and practices of the Company.
9. Monitor the Company's hiring of current or former employees of the independent auditors.

(c) Internal Auditors

1. Review the appointment and replacement of and evaluate the Director of Business Assurance and Advisory Services (Internal Audit) (who shall report directly to the Audit Committee); and review any issues that arise regarding the performance of the Company's internal auditors.
2. Discuss with management, the independent auditors and the Director of Business Assurance and Advisory Services (Internal Audit), the organization of internal audit, the adequacy of its resources and the competence and performance of internal audit personnel.
3. Review with the internal auditors the audit risk assessment process, annual internal audit plan and activities and significant changes thereto, as well as the coordination between the internal auditors and the Company's independent auditors.
4. Review with the internal auditors any audit problems or difficulties encountered during the course of internal audits, including any restrictions on the scope of the internal auditors' activities or access to requested information, and any significant disagreements with management, including management's response to such matters; and any significant findings and recommendations resulting from internal audits, together with management's responses and action plans.

(d) Ethical and Legal Compliance

1. Review management's monitoring of compliance with the Company's business ethics and standards of conduct policy and legal and regulatory requirements and review and investigate any matters, including those pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct, as required by the compliance policy. The Committee shall receive corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty.
2. Review with management, Company's counsel and other experts, as applicable, any legal or regulatory matter that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
3. Establish procedures 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 the Company's employees of concerns regarding questionable accounting or auditing matters.
4. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

Approved by the Audit Committee on April 14, 2003
Approved by the Board of Directors on April 15, 2003
Approved by the Audit Committee on April 7, 2004
Approved by the Board of Directors on April 8, 2004
Approved by the Audit Committee April 12, 2005
Approved by the Board of Directors April 14, 2005
Approved by the Board of Directors April 24, 2006
Approved by the Audit Committee April 24, 2006
Approved by the Audit Committee, April 25, 2007
Approved by the Board of Directors April 26, 2007
Approved by the Audit Committee March 10, 2008
Approved by the Board of Directors March 10, 2008
Approved by the Audit Committee April 29, 2009

EXHIBIT “B”

CHARMING SHOPPES, INC. COMPENSATION COMMITTEE CHARTER

I. Authority

The Charming Shoppes, Inc. (the “Company”) Board of Directors (the “Board”) established the Charming Shoppes Compensation Committee (the “Committee”).

II. Committee Purpose, Duties and Responsibilities

- A. The Committee, in order to assist the Board in the discharge of its responsibilities relating to compensation of the Company’s executives and other key employees of the Company:
1. Reviews, approves, and modifies, as necessary, the Company’s compensation and benefit philosophy;
 2. Reviews, approves, and modifies, as necessary, the executive compensation programs, plans and awards;
 3. Administers the Company’s short- and long-term incentive plans and other stock or stock-based incentive plans. This includes selecting the level of employee participation and either selecting, or delegating to a subcommittee of one or more members of the Committee or management the authority to select, participants, the times at which options and other equity based awards are to be granted, the number of shares to be subject to each option or award and the terms of each such option or award. The Committee will make all other determinations necessary or advisable for the administration of these incentive plans;
 4. On an annual basis, or more frequently from time to time:
 - (i) Reviews and discusses with management the Compensation Discussion and Analysis (the “CD&A”) required by Item 402 of Regulation S-K. Based on such review and discussion, the Committee determines whether to recommend to the Board that the CD&A be included in the Company’s annual report and proxy statement for the Annual Meeting of Shareholders; and
 - (ii) Prepares, over the names of the Committee’s members, the required report of the Committee for the Company’s annual report and proxy statement for the annual meeting of shareholders;

5. Reviews, approves, modifies and revises, as necessary or desirable, general employee pension benefit plans of the Company and other benefit plans on an as-needed basis; and
 6. Develops, in consultation with the Chairman of the Board, corporate goals and objectives relevant to the compensation of the Chief Executive Officer and the other executive and senior officers of the Company.
- B. The Committee shall have the following duties and responsibilities and the necessary power and authority, including budgetary and fiscal authority, to carry out such duties and responsibilities:
1. Periodically review the Company's compensation philosophy and how the pay programs align with philosophy, especially in relation to the Company's business goals and strategies, determine whether any change is needed or desired, and, if so, modify and revise the Company's compensation philosophy accordingly.
 2. Periodically review market data to assess the Company's competitive position for each component of executive compensation (especially base salary, annual incentives, long-term incentives, and retirement programs) by reviewing market and other data, compiled by third-party consultants, for appropriate peer companies.
 3. Review, approve and recommend, in consultation with the Chairman of the Board, for approval by a majority of the independent directors meeting in executive session the corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate, in consultation with the Chairman of the Board, the Chief Executive Officer's performance in light of those goals and objectives, and approve and recommend to the Board for approval by a majority of the independent directors meeting in executive session the compensation of the Chief Executive Officer based on this evaluation.
 4. Review and approve corporate goals and objectives relevant to the compensation of the other executive and senior officers of the Company, evaluate their performance in light of those goals and objectives, and set their compensation levels based on such evaluations.
 5. Approve, evaluate, modify, terminate, and monitor the compensation plans, policies, and programs of the Company in regard to executives, and, as appropriate, make recommendations to the Board with respect to these compensation plans, policies and programs.
 6. Establish and maintain a management succession process, including planning for the successor to the Chief Executive Officer in consultation with the Chairman of the Board, which shall be approved by a majority of the independent directors of the Board meeting in executive session.

7. Perform an annual performance evaluation of the Committee and its members.
8. From time to time form and delegate authority to a subcommittee of one or more members of the Committee or management, when appropriate and in accordance with applicable rules and regulations.
9. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for consideration and approval.
10. Retain and terminate advisors, consultants, lawyers, accountants and other service providers to assist the Committee and its members in carrying out their duties and functions, including the authority to approve their fees and other retention terms.
11. Perform any other activities consistent with this Charter, the Company's By-laws and applicable law, as the Committee deems appropriate or as requested by the Board.

III. Committee Structure and Operations

A. **Committee Size.** The Committee will consist of a minimum of three directors.

B. Committee Member Qualifications.

1. All members of the Committee at all times during his/her tenure on the Committee must meet the definitions of:
 - i. A "non-employee director" within the meaning of Rule 16b-3 promulgated under the Securities and Exchange Act of 1934, as amended;
 - ii. An "outside director" within the meaning Section 162(m) of the Internal Revenue Code of 1986, as amended; and
 - iii. An "independent director" within the meaning of The Nasdaq Stock Market, Inc.'s rules and regulations.
2. In appointing members to the Committee, the Board shall keep in mind the following:
 - i. Whether an individual has sufficient time to commit to service on the Committee; and;
 - ii. Whether an individual has experience with setting compensation policies, procedures, and programs and in the review and administration of executive compensation programs.

C. Committee Member Appointment and Removal.

1. The Board will appoint the Committee members and a Chairman.
2. The Board may fill vacancies on the Committee.
3. The Board may remove a Committee member from the membership of the Committee at

any time with or without cause.

D. Committee Meetings.

1. The Committee customarily conducts four regularly scheduled meetings each year.
2. Executives, management representatives, third-party service providers, and others, when requested by the Committee, may attend the general and executive session portions of each meeting. However, it is the Committee's intent to maintain regular sessions at which executives, management representatives, third-party service providers, and other non Committee members generally will be excluded.
3. Attendance at meetings shall be permitted by telephone or other means which allows the members to effectively interact with one another and fully discuss proposed actions, as permitted for meetings of the full Board.
4. A majority of the Committee members shall constitute a quorum for the transaction of business.
5. The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
6. Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members executed, either before or after the action is taken, a written consent and the consent is filed with the Company's Corporate Secretary.
7. The Company's General Counsel or his or her designee shall act as the Committee Secretary.
8. The Committee Secretary will keep minutes of all Committee meetings, which shall be distributed to all Board members.
9. Regular meetings of the Committee shall be called according to the schedule approved by the Committee for the year. Special meetings of the Committee can be called by the Committee Chairman, a majority of the members of the Committee, the Chairman of the Board, or by a majority of the independent directors of the Company.
10. The Committee Secretary will prepare a preliminary agenda for regularly scheduled meetings. The Committee Chairman will make the final decision regarding the agenda for regularly scheduled meetings and will develop the agenda for special meetings based on the information supplied by the party(ies) requesting the special meeting.
11. The agenda and all materials to be reviewed at the meetings should be received by the Committee members as far in advance of the meeting day as practicable.

12. The Committee Secretary should coordinate all mailings to the Committee members, to the extent practicable.

E. Committee Reporting to the Board. The Committee Chairman shall present periodic reports to the Board concerning the Committee's actions related to compensation and the execution of its duties and responsibilities.

Section IIA 3 and 4 Amended and Approved by the Compensation Committee on January 24, 2007

EXHIBIT “C”

CHARMING SHOPPES, INC. THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

I. Authority

The Charming Shoppes, Inc. (the "Company") Board of Directors (the "Board") established the Corporate Governance and Nominating Committee (the “Committee”).

II. Committee Purpose, Duties and Responsibilities

The Committee, in order to assist the Board in fulfilling its responsibilities with respect to the Company, shall have the following duties and responsibilities and the necessary power and authority, including budgetary and fiscal authority, to carry out such duties and responsibilities:

1. Developing principles of corporate governance and recommending them to the Board for its approval.
2. Reviewing periodically the principles of corporate governance approved by the Board to ensure that they remain relevant and are being complied with.
3. Consulting with the Chairman of the Board and the Chief Executive Officer in carrying out the duties of the Committee.
4. Reviewing the composition and size of the Board in order to ensure the Board has the appropriate level of expertise to properly perform its duties.
5. Determining the criteria for selection of the Chairman of the Board and Board members and Board committee members and chairs.
6. Reviewing Board policies on age and term limits for Board members.
7. Planning for continuity on the Board as existing Board members retire or rotate off the Board and recommending to the Board persons to be nominated for election as members of the Board.
8. Evaluating the performance of current Board members proposed for election, and recommending to the Board as to whether members on the Board should stand for reelection.
9. Reviewing and recommending to the Board an appropriate course of action upon the resignation of current Board members.

10. Determining and recommending to the Board for its determination the appropriate compensation for Board members.
11. Conducting an annual evaluation of the Board as a whole.
12. Making recommendations on the structure of Board meetings and recommending matters for consideration by the Board.
13. With the Chairman of the Board, periodically reviewing the charters and composition of each Board committee and making recommendations to the Board for the creation of additional Board committees or the change in mandate or dissolution of Board committees.
14. With the Chairman of the Board, recommending to the Board persons to be members and chairs of the Board committees.
15. Evaluating the composition of each Board Committee so that their respective members are suitable for the tasks of the Committee and that each Committee conducts the required number of meetings and reports to the Board on its activities.
16. Reviewing directorships and consulting and other agreements between Board members and other entities for conflicts of interest. All members of the Board are required to report directorships and consulting and other agreements to the corporate general counsel.
17. Taking such other actions regarding the manner of governance of the Company, including recommending to the Board for its adoption codes of conduct and ethics, as from time to time the Committee believes to be in the best interests of the Company and its stakeholders.
18. Overseeing the director continuing education program.
19. Determine the independence of directors pursuant to rules and guidelines as set forth in applicable exchange listing agreements, the SEC, and federal or state legislation. Review with the Board for its consideration the relations and transactions considered by the Committee and the reasons for its decisions for the Board's consideration in the determination of director independence.
20. Review and approval of all related party transactions pursuant to the related party transaction policies and procedures established by the Committee that are required to be disclosed pursuant to SEC Regulation S-K, Item 404, and discuss with management the business rationale for the transactions and whether appropriate disclosures have been made.

III. Committee Structure and Operations

- A. **Committee Size.** The Committee will consist of a minimum of three directors.

- B. **Committee Member Qualifications.** The members of the Committee must be independent in that none of them shall have any monetary (other than compensation for services as a director), financial or commercial relationship with the Company that might interfere with their exercise of independent judgment as a Committee member and shall otherwise meet the independence standards in accordance with independence rules of the Securities and Exchange Commission, the NASDAQ Marketplace Rules, the NASDAQ Global Select Marketing listing requirements and other applicable law.

- C. **Committee Member Appointment and Removal.**
 - 1. The Board will appoint the Committee members and a Chairman.
 - 2. The Board may fill vacancies on the Committee.
 - 3. The Board may remove a Committee member from the membership of the Committee at any time with or without cause.

- D. **Committee Meetings.**
 - 1. The Committee customarily conducts four regularly scheduled meetings each year.
 - 2. Executives, management representatives, third-party service providers, and others, when requested by the Committee, may attend the general and executive session portions of each meeting. However, it is the Committee's intent to maintain regular sessions at which executives, management representatives, third-party service providers, and other non-Committee members generally will be excluded.
 - 3. Attendance at meetings shall be permitted by telephone or other means which allows the members to effectively interact with one another and fully discuss proposed actions, as permitted for meetings of the full Board.

4. A majority of the Committee members shall constitute a quorum for the transaction of business.
5. The action of a majority of those present at a meeting at which a quorum is present will be the act of the Committee.
6. Any action required to be taken at a meeting of the Committee will be deemed the action of the Committee if all of the Committee members execute, either before or after the action is taken, a written consent and the consent is filed with the Company's Corporate Secretary.
7. The Company's General Counsel or his or her designee will act as the Committee Secretary.
8. The Committee Secretary will keep minutes of all Committee meetings, which shall be distributed to all Board members.
9. Regular meetings of the Committee shall be called according to the schedule approved by the Committee for the year. Special meetings of the Committee can be called by the Committee Chairman, a majority of the members of the Committee, the Chairman of the Board, or by a majority of the independent directors of the Company.
10. The Committee Secretary will prepare a preliminary agenda for regularly scheduled meetings. The Committee Chairman will make the final decision regarding the agenda for regularly scheduled meetings and will develop the agenda for special meetings based on the information supplied by the party(ies) requesting the special meeting.
11. The agenda and all materials to be reviewed at the meetings should be received by the Committee members as far in advance of the meeting day as practicable.
12. The Committee Secretary should coordinate all mailings to the Committee members, to the extent practicable.

E. **Committee Reporting to the Board.** The Committee Chairman shall present periodic reports to the Board concerning the Committee's actions related to corporate governance and the execution of its duties and responsibilities.

- F. **Use of Third-Party Service Providers.** If the Committee utilizes a third-party service provider in executing its duties, the Committee shall have the sole authority to retain and terminate the third-party service provider, including the sole authority to approve the third-party service provider's fees and other retention terms.

*Section II, 19, added to the Charter - Approved by the Corporate Governance and Nominating Committee 9/21/05-
Approved by the Board of Directors 9/22/05*

*Section II, 20, added to the Charter - Approved by the Corporate Governance and Nominating Committee 5/7/08
Approved by the Board of Directors 5/7/08*