

SUMMER INFANT, INC.

AUDIT AND FINANCE COMMITTEE CHARTER

Purpose

The Audit and Finance Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of Summer Infant, Inc. (the “Company”) to oversee the accounting and financial reporting processes of the Company, the audits of the Company’s financial statements and the Company’s capital structure and financing requirements. In that regard, the Committee assists the Board in monitoring (1) the integrity of the Company’s financial statements, (2) the qualifications, independence and performance of the independent auditor, (3) the performance of the Company’s internal audit function (if any), (4) risk management, and (5) the compliance by the Company with legal and regulatory requirements.

The Committee will report regularly to the Board regarding the execution of its duties and responsibilities, activities, any issues encountered, and related recommendations. The Committee will prepare the report that the Securities and Exchange Commission (the “Commission”) requires to be included in the Company’s annual proxy statement.

Committee Membership

The Committee will consist of no fewer than three members. Each member of the Committee will meet the independence and experience standards of The Nasdaq Stock Market, LLC (“Nasdaq”) and the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The determination of independence will be made by the Nominating/Governance Committee of the Board and the Board. All members of the Committee should be able to read and understand fundamental financial statements, and at least one member will qualify as an “audit committee financial expert” as defined by the Commission.

The members of the Committee are appointed by the Board. Committee members may be replaced by the Board at any time. The Board will appoint a chairperson of the Committee. The chairperson will be a member of the Committee and, if present, will preside at each meeting of the Committee. The chairperson will advise and counsel the executives of the Company, and perform such other duties as may from time to time be assigned to him by the Committee or the Board.

Meetings

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The chairperson will approve the agenda for the Committee’s meetings and any member may suggest items for consideration. Each regularly scheduled meeting will include an executive session of the Committee absent members of management. The Committee will meet periodically with management, the internal auditors (if any) and the independent auditor in separate executive

sessions, and have such other direct and independent interaction with such persons from time to time as the members of the Committee deem appropriate. The Committee may, in its discretion, invite to its meetings any other director, members of management and such other persons it deems appropriate, provided that (i) the chairperson may ask non-Committee members to leave the meeting at any time and (ii) any non-Committee members may not vote on any actions considered by the Committee or participate in any discussion unless invited to do so by the Committee.

Committee Authority and Responsibilities

The Committee has the sole authority to appoint, determine the funding for and oversee the outside auditors. The Committee is directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.

The Committee will pre-approve all auditing services, internal control-related services and permitted non-audit services to be performed for the Company by its independent auditor, including the fees and terms thereof (subject to the de minimus exceptions for non-audit services that are approved by the Committee prior to the completion of the audit). The Committee may form and delegate authority to subcommittees of the Committee consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to conduct investigations into any matters within its responsibilities and to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, to pay the ordinary administrative expenses of the Committee and for payment of compensation to (a) the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review, or attest services for the Company and (b) any advisors employed by the Committee.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee annually shall review the Committee's own performance.

The Committee shall:

Financial Statement and Disclosure Matters

1. Meet with the independent auditor prior to the audit to review the scope, planning and staffing of the audit.

2. Review and discuss with management and the independent auditor the annual audited financial statements, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
3. Review and discuss with management and the independent auditor the Company's quarterly financial statements (prior to the filing of its Form 10-Q or release of earnings), including the results of the independent auditor's review of the quarterly financial statements.
4. Discuss with management and the independent auditor accounting principles and financial statement presentations, as well as any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including:
 - (a) any critical audit matter ("CAM") and related CAM disclosures;
 - (b) any significant changes in the Company's selection or application of accounting principles;
 - (c) the Company's critical accounting policies and practices to be used;
 - (d) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
 - (e) any material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and
 - (f) any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
5. Discuss earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information. Such discussion may be general and include the types of information to be disclosed and the type of presentations to be made.
6. Discuss with management and the independent auditor the effect on the Company's financial statements of (a) regulatory and accounting initiatives and (b) off-balance-sheet structures.
7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

8. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 16 relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
9. Review disclosures made by the Company's CEO and CFO during their certification process for the Company's Form 10-K and Form 10-Qs about any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
10. Review and discuss with management and the independent auditor any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.

Oversight of the Company's Relationship with the Independent Auditor

11. At least annually, obtain and review a report from the independent auditor, consistent with applicable independence standards, regarding (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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 (c) any steps taken to deal with any such issues. Evaluate the qualifications, performance and independence of the independent auditor, including whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and internal auditor (if any). The Committee shall present its conclusions with respect to the independent auditor to the Board.
12. Obtain from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor, and take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditor.
13. Verify the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

14. Set policies, consistent with governing laws and regulations, and oversee compliance therewith for, the Company's hiring of employees or former employees of the independent auditor.
15. Be available to the independent auditor during the year for consultation purposes.

Compliance Oversight and Other Responsibilities

16. Obtain assurance from the independent auditor that Section 10A(b) of the Exchange Act has not been implicated.
17. Unless specifically delegated by the Board to the Compensation Committee of the Board, review and approve all related-party transactions.
18. Inquire and discuss with management the Company's compliance with applicable laws and regulations and with the Company's Code of Ethics in effect at such time, if any, and, where applicable, recommend policies and procedures for future compliance.
19. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or reports, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.
20. Monitor the effectiveness of the Company's information system controls and security.
21. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
22. Discuss with the Company's counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
23. Review and discuss the Company's financial plans, policies and budgets to ensure their adequacy and soundness in providing for the Company's current operations and long-term growth.
24. Review, discuss and make recommendations to the Board concerning proposed equity, debt or other securities offerings and private placements.
25. Perform any other activities consistent with this Charter, the Company's bylaws, and governing laws that the Board or the Committee determines are necessary or appropriate.

Limitation of Committee's Role

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 and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.