

STEIN MART, INC.
CORPORATE GOVERNANCE GUIDELINES

As amended September 27, 2016

Stein Mart, Inc. (the “**Company**”) has developed, and the Board of Directors (the “**Board**”) has adopted, the following Corporate Governance Guidelines (these “**Guidelines**”) to assist the Board in the exercise of its responsibilities and to serve best the interests of the Company and its shareholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Articles of Incorporation (as amended), Bylaws, and other corporate governance documents. These Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws and regulations.

I. Role of the Board

The Board is the representative of the shareholders with an obligation to see that the affairs of the Company are conducted in a manner coincident with the best interest of, and fulfilling our responsibility to, our shareholders, customers, associates and communities. The Board’s role is to approve broad policies of the Company, its general direction and its overall priorities. The duties of the Board include:

- A. reviewing and approving key financial objectives, corporate strategies and capital allocations;
- B. approval of senior management structure, personnel, compensation and succession plans;
- C. monitoring the Chief Executive Officer and senior management performance and recommending improvements;
- D. providing management with additional expertise and perspective based on the individual experience of the directors; and
- E. assuring continuity of Board membership.

II. Composition of the Board

The Board normally shall consist of not less than eight or more than fifteen directors. No more than four of them may be employees of the Company (“**Management Directors**”).

A. Management Directors. The Management Directors may include the Chairman of the Board, Vice Chairman (if this post is occupied), President, and Chief Executive Officer. Without the express approval of the Board, no Management Director may serve on the board of another non-affiliated corporation.

B. Non-Management Directors; Board Membership Criteria. Non-management directors will be chosen for nomination by the Corporate Governance Committee and the Board based on a number of factors deemed appropriate by the Corporate Governance Committee including, without limitation, perspective, experience, knowledge, and independence of judgment, enabling them to contribute most effectively to the functioning of the Board and the meeting of its responsibilities. They will be expected to become familiar with the condition and operations of the Company and to serve on at least one committee of the Board. There should be a predominance of business backgrounds, balanced by qualified individuals who can bring additional sets of experiences and perspectives to the Board. Directors will be selected without regard to race, religion, sex or national origin.

C. Independence of the Board. The Board will be comprised of a majority of directors who qualify as independent directors (the “**Independent Directors**”) under the listing standards of NASDAQ and by applicable laws. The Board will review annually the relationships that each director has with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of NASDAQ. The Company will disclose these determinations with respect to independence in its annual filings. Non-management directors will serve no more than twenty-five years unless the Corporate Governance Committee determines that special circumstances make it in the best interests of the Company to waive such requirement in individual cases, and will retire from the Board by, at the option of such director(s), either (i) retiring effective the date of the annual shareholders’ meeting next following the attainment of twenty-five years of service by such director(s) or (ii) not standing for re-election at the next annual shareholders’ meeting. However, when it is anticipated that two or more directors may leave the Board within a twelve-month period, the Board may request one or more of the retiring directors to serve up to an additional twelve months in order to smooth the rotation of Board membership.

D. Retirement/Rotation; Change in Position. The Company’s Corporate Governance Committee believes it important to periodically rotate the independent directors to recognize changes in circumstances and to assure the availability of new ideas and fresh analysis to the Board. In addition, the Corporate Governance Committee believes the Company always benefits from having directors who have had direct retail experience. Accordingly, the Corporate Governance Committee shall

consider each independent director and review his or her engagement with the Company on an annual basis.

III. Board Committees

The standing committees of the Board will be the Executive Committee, the Audit Committee, the Compensation Committee, the Corporate Governance Committee and, from time to time, the Strategic Planning Committee. The Board may form other committees from time-to-time, as determined in the judgement of the Board.

A. The Executive Committee will consist of the Company's Chief Executive Officer and any two (2) non-management directors. While it is preferable that action on the major matters be taken by the Board itself, the role of the Executive Committee is to act on behalf of the Board on matters requiring action between Board meetings.

B. The Audit Committee, the Compensation Committee, the Corporate Governance Committee and, while in effect, the Strategic Planning Committee will each have at least three members, and each committee member must qualify as an Independent Director. The duties of these committees are set forth in their respective Charters. It is contemplated that each member of these committees generally will serve for five to seven years. Committee chairmen will normally serve three to five-year terms to ensure rotation periodically but may be extended at the discretion of the Board. Normally the chairpersons of each of the Board committees and the Lead Director will constitute the members of the Corporate Governance Committee.

C. The Board may also delegate certain of its authority within well-defined limits to committees or internal boards consisting of management personnel, some of whom may not be Management Directors. These committees or internal boards may derive delegated authority to review results of operations, approve capital appropriations within pre-determined limits set forth by the Board, establish operating policies, elect group and division officers, review and approve human resources benefits and plans, and review proposals for recommendation to the Board.

IV. Responsibilities and Conduct of Directors

A. Director Responsibilities. In discharging their responsibilities, directors must exercise their business judgement to act in a manner that they believe in good faith is in the best interests of the Company and its shareholders. Directors are also expected to spend the time necessary to discharge their responsibilities appropriately. In discharging their responsibilities, directors are entitled to rely on the advice, reports and opinions of management, counsel, auditors, and outside experts. In that regard, the Board and its committees shall be entitled, at the expense of the Company, to engage such independent legal, financial or other advisors as they deem appropriate, without consulting or obtaining the approval of any officer of the Company, with respect to any matters subject to their authority.

B. Other Board service by Non-Management Directors. The Company does not have a policy with respect to the number of boards of directors on which a non-management director may serve. Although the Company does not impose a limit on outside directorships, it does recognize the substantial time commitments attendant to membership on the Board and expects that the members of its Board be fully committed to devoting all such time as is necessary to fulfill their accompanying responsibilities, both in terms of preparation for, and attendance and participation at meetings. A director must notify the Chairman of his or her acceptance of an invitation to serve of the board of directors of any other company. It is expected that, before accepting another board position, a director shall consider whether that service may compromise his or her ability to perform his or her responsibilities to the Company.

C. Conflicts of Interest. Directors shall avoid any situation that may give rise to a conflict of interest or the appearance of a conflict of interest. If an actual or potential conflict of interest arises, the director shall promptly inform the Chairman of the Board and recuse himself or herself from any Board deliberations or decisions related to the matter that is the subject of the conflict of interest. If an actual or potential conflict exists and cannot be resolved by a director's recusal from participation in discussions or deliberations related to the matter or in any other reasonable manner, the director is expected to tender his or her resignation to the Chairman. The Corporate Governance Committee shall recommend to the Board whether to accept or reject such offer. The Board shall resolve any conflict of interest question involving the Chief Executive Officer or any other executive officer.

D. Change of Circumstances. The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily leave the Board. Promptly following such event, the director must notify the Corporate Governance Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Corporate Governance Committee's recommendation following such review.

E. Stock Ownership Guidelines. Non-management directors are expected to own five (5) times their annual retainer in Company shares. Each such non-management director shall have five (5) years to accumulate the desired ownership beginning on the date of their appointment to director. Once that minimum is achieved, any decreases in the value of the Company's shares will not be considered in determining if that requirement continues to be met.

V. Role of the Chairman of the Board & Lead Director

The Board will periodically select one of the Independent Directors to serve as the Lead Director. It is the responsibility of the Chairman and of the Lead Director to facilitate constructive interaction between the Board and management. They should be fully aware of the condition of the Company and the concerns and interests of shareholders and recommendations of both the directors and management. The Chairman should provide an opportunity for full and open participation by each director at Board meetings. The Chairman will recommend a schedule of meetings each year. The Chairman will provide a written agenda in advance of the Board and Executive Committee meetings, together with full information on major proposals. Members of the Board will have full access to the Chairman and Lead Director for purposes of recommending agenda items for the full Board or its committees. In the absence of the Chairman, first the Vice Chairman and then the Lead Director, and then the Chief Executive Officer of the Company, will serve as acting Chairman.

VI. Compensation and Benefits

Non-management directors will receive an annual retainer. The Lead Director and the Chairman of each committee will receive additional retainers. Fees shall be paid for attendance at regular or special committee meetings, as well as any Board meetings. The compensation schedule will be reviewed periodically by the Compensation Committee, which will recommend to the Board any changes deemed advisable. Directors will be reimbursed for travel expenses in connection with attending meetings.

VII. Indemnification

To the extent permitted by law, each director is entitled to indemnification under the Company's Articles of Incorporation and under any agreement between the director and the Company, and to the protection afforded by the Company's insurance policy covering directors' and officers' liability.

VIII. Schedule of Meetings

The Board shall meet at least four times a year. Special meetings of the Board may be called in exceptional situations but every effort will be made to avoid meetings called on less than 7 days' notice. Board meetings will normally be scheduled at the Company headquarters, but at least one meeting per year may be scheduled elsewhere. It is the policy of the Board that an agenda describing the nature of the business to be conducted at a meeting and all information and data that is important to the Board's or the committees', as applicable, understanding of the business to be conducted at a meeting be distributed to the Board or the committee, as applicable, at least two days before the Board or the committee meets. Each director is expected to be familiar with the Company's businesses and public disclosures, to review in advance of Board meetings all related materials distributed to the Board, and to attend and

participate in meetings of the Board and meetings of any committee on which such director is a member, as well as the annual meeting of the Company's shareholders.

IX. Executive Sessions of Non-Management Directors

It is the policy of the Board for its non-management directors to meet in executive session, without the presence of Management Directors or executive officers of the Company (except to the extent that the non-management directors request the presence of any executive officers), as a normal part of the agenda of regular meetings. The Lead Director will have the authority to call, and will preside at, these meetings and will be chosen by the non-management directors, and his or her name will be disclosed in the annual proxy statement.

X. Board Access to Senior Management; Interaction with Third Parties

A. Board members shall have complete access to management and, as necessary and appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chief Executive Officer, and Board members will use judgment to assure that this access is not distracting to the business operation of the Company. The Board encourages the President and the Chief Executive Officer to (i) provide management insight into items being discussed by the Board which involve management; (ii) make presentations to the Board on matters which involve management; and (iii) bring members of management with significant potential into contact with the Board. Attendance of such non-directors at Board meetings is at the discretion of the Board.

B. The Board believes that management generally should speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, the press or customers to management. If comments from the Board are appropriate, they should, in most circumstances come from the Chairman of the Board, the Lead Director, the President or the Chief Executive Officer.

C. The Board shall provide a means by which persons, including shareholders and employees, may communicate directly with the directors with regard to matters relating to the Company's corporate governance and performance. The Board's non-management directors shall approve a process to be maintained by the Company's management for collecting and distributing communications with the Board. The means of communications with the Board shall be disclosed in the Company's annual proxy statement.

XI. Board Orientation and Continuing Education

The Company shall provide new directors with a director orientation program to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, conflicts policies, code of business conduct and ethics, corporate governance guidelines, principal officers, internal auditors and independent auditors. Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

XII. Changes in Board Policy

Changes in these Guidelines may be made only by the Board upon the recommendation of the Corporate Governance Committee.

XIII. Performance of the Board

The Board will conduct a periodic self-evaluation of the performance of the Board as a whole. The purpose of this assessment is to increase the effectiveness of the Board as a whole, not to focus on individual Board members.

XIV. Chief Executive Officer Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance. The Compensation Committee will consider, among other things, the goals set for the Chief Executive Officer by the Compensation Committee and their achievement. The Board will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long and short-term. Once a year, the Chief Executive Officer shall confer with the Compensation Committee and provide an informal review of the named executive officers who report to the Chief Executive Officer and the Chief Executive Officer's then current management succession analysis and plan, including his or her recommendations and evaluations of potential successors, and a review of any development plans recommended for such individuals.