

STEIN MART, INC.
CORPORATE GOVERNANCE GUIDELINES

As Revised Through December 2007

Stein Mart, Inc. (the “Company”) has developed, and the Board has adopted, the following Corporate Governance Guidelines to assist the Board in the exercise of its responsibilities and to serve best the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s Certificate of Incorporation (as amended), bylaws, and other corporate governance documents. The 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. The 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 of Directors is the representative of the stockholders 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 stockholders, 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 will consist of the Chairman of the Board, Vice Chairman, and President, 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. Non-management directors will be chosen based on 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. Age shall be a consideration in selecting new directors so as to maintain a sound age balance on the Board and so that turnover through retirement at reasonable intervals can be expected. Non-management directors will serve no more than twenty years, and will retire from the Board by, at the option of such director(s), either (i) retiring effective the date of the annual stockholders' meeting next following the attainment of twenty years of service by such director(s) or (ii) not standing for re-election at the next annual stockholders' 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; Change in Position. The Company's Governance Committee shall consider whether a non-management director should stand for re-election at the next annual stockholders' meeting following the occurrence of any of the following:

- (i) the director reaches 72 years of age;
- (ii) the director ceases to be actively employed, or changes employment, or experiences a substantial reduction in responsibility level with an employer; or
- (iii) the director becomes the member of the Board of Directors of more than four public companies.

E. Professionals and Consultants. To maintain the independence of the Board, professionals and consultants who have a significant ongoing fee arrangement with the Company normally will not be selected to serve as directors unless the Board determines that any such person's service as a director will not be influenced by his or her fee arrangement. However, it is not the intention of this policy to preclude any firm or organization from receiving impartial consideration as a supplier of goods or services to the Company.

III. Board Committees.

The committees of the Board will be the Executive Committee, the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

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. Certain limits on that authority are set forth in the Position Description but these limits can be superseded by the explicit delegated authority of the Board.

B. The Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance 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.

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 committee 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 recommendations to the Board.

IV. Role of the Chairman of the Board

It is the responsibility of the Chairman to facilitate constructive interaction between the Board and management. The Chairman should be fully aware of the condition of the Company and the concerns 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 for purposes of recommending agenda items for the full Board or its committees. In the absence of the Chairman, the President, Chief Executive Officer of the Company will serve as Acting Chairman.

V. 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.

VI. Indemnification

To the extent permitted by law, each director is entitled to indemnification under the Company's Certificate 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.

VII. 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 14 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 and its Committees' understanding of the business to be conducted at a meeting be distributed to the Board 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.

VIII. 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 preside at these meetings, will be chosen by the non-management directors, and his or her name will be disclosed in the annual proxy statement. If any non-management directors are not Independent Directors, the Independent Directors will meet in at least one separate executive session per year. Interested parties may communicate their concerns to the non-management directors by sending correspondence to Mr. Alvin R. Carpenter, the Company's current Lead Director at Pete_carpenter@comcast.net or c/o **Stein Mart, Inc.**, 1200 Riverplace Blvd., Jacksonville, FL 32207.

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

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 President, 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, Chief Executive Officer to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of such non-directors at Board meetings is at the discretion of the Board.

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 or the President, Chief Executive Officer.

X. 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.

XI. Changes in Board Policy

Changes in this policy may be made only by the Board upon the recommendation of the Nominating and Corporate Governance Committee.

XII. 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.

XIII. Chief Executive Officer Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the President, Chief Executive Officer's performance. The Compensation Committee will consider, among other things, the goals set for the President, Chief Executive Officer and their achievement. The Board of Directors will review the Compensation Committee's report in order to ensure that the President, Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The entire Board will consider and evaluate potential successors to the President, Chief Executive Officer. The President, Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.