

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|---|---|----------------------|
| 1 Issuer's name Stein Mart, Inc. | | 2 Issuer's employer identification number (EIN) 64-0466198 | |
| 3 Name of contact for additional information Andrew Hariton | 4 Telephone No. of contact (904) 346-1500 | 5 Email address of contact ahariton@steinmart.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1200 Riverplace Blvd | | 7 City, town, or post office, state, and Zip code of contact Jacksonville, FL 32207 | |
| 8 Date of action 2015 - See below | 9 Classification and description Common Stock | | |
| 10 CUSIP number 858375108 | 11 Serial number(s) | 12 Ticker symbol SMRT | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Stein Mart, Inc. made cash distributions to its common shareholders affecting basis during 2016 as follows:**

| | |
|-------------------------|----------------------|
| January 15, 2016 | \$0.075/share |
| April 15, 2016 | \$0.075/share |
| July 15, 2016 | \$0.075/share |
| October 14, 2016 | \$0.075/share |

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Based on finalized financial information, Stein Mart, Inc. determined for 2016 distributions: 5.17% of the distributions constitute a taxable dividend and 94.83% of the distributions constitute a return of capital under IRS Code Section 301(c)(2). Generally, the portion of the distribution on the common stock that is treated as return of capital should reduce the shareholder's tax basis in the shares of common stock up to a holder's adjusted basis in the common stock, with any excess treated as capital gains pursuant to IRS Code Section 301(c)(3).**

| Date of Distribution | Distribution Per Share | Taxable Dividend Per Share | Return of Capital Per Share |
|-------------------------|------------------------|----------------------------|-----------------------------|
| January 15, 2016 | \$0.075 | \$0.0039 | \$0.0711 |
| April 15, 2016 | \$0.075 | \$0.0039 | \$0.0711 |
| July 15, 2016 | \$0.075 | \$0.0039 | \$0.0711 |
| October 14, 2016 | \$0.075 | \$0.0039 | \$0.0711 |

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Stein Mart, Inc.'s FY 2016 earnings and profits (current and accumulated) support Stein Mart, Inc.'s disclosure that 5.17% of 2016 distributions represents a dividend under IRS Code Section 301(c)(1). The remaining 94.83% of the distributions represents a return of capital under IRS Code Section 301(c)(2).**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 301(c), 312 and 316 of the Internal Revenue Code.

18 Can any resulting loss be recognized? ▶ Not applicable.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2016

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶ *Gregory W. Kleffner* Date ▶ 4/18/17

Print your name ▶ Gregory W. Kleffner Title ▶ EVP and CFO

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | | Firm's EIN ▶ |
| | Firm's address ▶ | | | | Phone no. |