



April 1, 2020

RE: Business Update from Stein Mart, Inc.

Dear Partner,

The health and safety of our employees, customers and families continue to be our top priorities. As the American public continues to stay home due to voluntary and mandatory social distancing, COVID-19 is taking a heavy toll on our communities and our industry.

I want to update you on significant actions we are taking to mitigate the ongoing impact of this crisis on our business and how this impacts you.

As you know, in the interest of public health, most national retailers, including Stein Mart, temporarily closed all store locations earlier this month. While we had initially hoped our stores would be closed for two weeks, we have extended the temporary closure of our stores, supply chain and corporate offices beyond the initial March 31 date. As the situation continues to evolve rapidly, we are not currently able to predict when the stores will reopen.

In addition, we are taking steps to protect our business and employees for the long-term. These include:

- Furloughing most of our store associates and a significant number of associates in our supply chain network and corporate offices
- Temporarily reducing the salaries of executive management and associates not furloughed
- Suspending compensation to our Board of Directors
- Working with our lenders and landlords to negotiate temporary terms
- Sending letters and communicating telephonically to our State and Federal government officials asking for support for Stein Mart and our industry

We also need your support. Effective immediately, we are extending the terms for payment of all goods and services to 120 days. We understand that this creates financial hardships for you, and we want to do our best to partner with you during this time. Unfortunately, we are compelled to take this action to ensure the sustainability of our business during these turbulent times.

We sincerely hope that with your help and cooperation we will come through this unprecedented time of uncertainty, and we look forward to continuing our partnership into the future.

Thank you in advance for your cooperation and stay safe.

Sincerely,
/s/ D. Hunt Hawkins
Chief Executive Officer
Stein Mart, Inc.