

**THE CATO CORPORATION
CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
CHARTER**

I. PURPOSE

The primary function of the Corporate Governance and Nominating Committee (the "Committee") is to assist the Corporation's Board of Directors in identifying qualified individuals to become Board members, in determining the composition of the Board and its committees, in monitoring a process to assess Board and Board committee effectiveness and in implementing the corporate governance guidelines.

II. COMPOSITION

The Committee shall be comprised of three or more directors appointed by the Board, each of whom shall be independent within the meaning of applicable regulations, New York Stock Exchange rules, Securities and Exchange Commission ("SEC") rules, and such other criteria as the Board may establish. The Board shall appoint a Chair of the Committee.

III. MEETINGS

The Committee shall meet as it deems necessary or appropriate in its judgment. The Committee may ask members of management or others to attend any meeting and provide information or advice as needed.

IV. ACTIVITIES

To fulfill its responsibilities, the Committee shall:

Board Membership

- (1) Make recommendations to the Board regarding the size and composition of the Board and the criteria for the selection of candidates for membership on the Board.
- (2) Oversee the search for individuals qualified to become members of the Board, including by evaluating persons suggested by shareholders or others, and supervise appropriate inquiries into the backgrounds and qualifications of possible candidates.
- (3) Recommend to the Board director nominees to be presented for shareholder approval at each annual meeting of shareholders and to fill any vacancies between annual meetings, taking into account the then existing composition of the Board and such other matters as the Committee deems appropriate.
- (4) Review each Director's continuation on the Board every three years prior to standing for re-election.
- (5) Establish procedures for director retirement and replacement.

Board Committees

- (6) Monitor and make recommendations to the Board with respect to the functions of the various committees of the Board.
- (7) Recommend to the Board for its approval the membership of the various Board committees, including the removal of members as appropriate.
- (8) Review with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, including an assessment of judgment, knowledge, diversity, age and skills, all in the context of an assessment of the perceived needs of the Board at that point in time.

Corporate Governance

- (9) Assist the Board in determining the independence of directors to ensure that a majority of the Board is independent, as defined in the corporate governance rules of the New York Stock Exchange and that members of the Audit Committee of the Board satisfy the independence standards of the New York Stock Exchange and of the Sarbanes-Oxley Act of 2002.
- (10) Review annually the overall performance and effectiveness of the Board and report the results thereof to the Board and recommend improvements where warranted.
- (11) Develop and recommend to the Board for its approval an annual self-evaluation process for the Board and each of its committees, and oversee the annual self-evaluations.
- (12) Oversee the evaluation of management.
- (13) Develop and recommend to the Board for its approval a set of corporate governance guidelines, review those guidelines periodically and recommend changes to the Board as appropriate.
- (14) Develop and recommend to the Board for its approval a code of business conduct and ethics for the Corporation, review the code periodically and recommend changes to the Board as appropriate.
- (15) Periodically review the frequency, structure and content of Board meetings and recommend changes to the Board as appropriate.
- (16) Consider any other matters of corporate governance raised by the Committee, the Board or management.

V. PROCESSES

After each Committee meeting, the Committee shall report its actions and recommendations to the Board.

The Committee shall conduct and present to the Board an annual review of its performance. In addition, the Committee shall review this Charter periodically and recommend any proposed revisions to the Board for its approval.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees. The Committee shall also have the authority to engage a search firm to assist in identifying director candidates and to engage outside counsel and other advisors, in each case as it deems appropriate, and to set the terms (including fees) of all such engagements. The Corporation shall provide for appropriate funding, as determined by the Committee, for paying fees to outside advisors engaged by the Committee.