

**CHARTER FOR
THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
OF
STAGE STORES, INC.
(As of August 23, 2005)**

I. DESCRIPTION AND PURPOSE

The Corporate Governance and Nominating Committee (the "Committee") is a standing committee of the Board of Directors (the "Board") of Stage Stores, Inc. (the "Company"). The Committee's primary functions are (i) to maintain and review the Company's Corporate Governance Guidelines (the "Guidelines") and propose changes to the Guidelines as corporate governance developments warrant, (ii) to consider any director candidates recommended by shareholders, (iii) to identify, recruit and recommend potential candidates for nomination as directors to the Board and to nominate directors for membership on Board committees, (iv) to evaluate the overall performance of the Board, and (v) report annually to the Board on the status of the Chief Executive Officer's succession plan. The Committee shall assist the Board in fulfilling its corporate governance and oversight responsibilities by reviewing corporate governance issues that may be brought before the Board, by exercising oversight over the Guidelines, by nominating qualified individuals as directors and reviewing their performance, and by reviewing applicable laws and regulations related to corporate governance matters.

II. COMPOSITION AND INDEPENDENCE REQUIREMENT

A. Composition

The Committee shall consist of at least three members, all of whom are Independent Directors, as that term is defined below. The Board shall designate one of the Committee members as the Chairman of the Committee.

B. Independent Director

As used in this Charter, "Independent Director" means a member of the Board other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent:

1. a director who is, or at any time during the past three years was, employed by the Company or by any parent or subsidiary of the Company;
2. a director who accepted or has a Family Member who accepted any payments from the Company or any parent or subsidiary of the Company in excess of \$60,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

- a. compensation for Board or Board committee service;
 - b. payments arising solely from investments in the Company's securities;
 - c. compensation paid to a Family Member who is a non-executive employee of the Company;
 - d. benefits under a tax-qualified retirement plan, or non-discretionary compensation;
 - e. loans from a financial institution provided that the loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the general public, (iii) did not involve more than a normal degree of risk or other unfavorable factors, and (iv) were not otherwise subject to the disclosure requirements of SEC Regulation S-K, Item 404;
 - f. payments from a financial institution in connection with the deposit of funds or the financial institution acting in an agency capacity, provided such payments were (i) made in the ordinary course of business, (ii) made on substantially the same terms as those prevailing at the time for comparable transactions with the general public, and (iii) not otherwise subject to the disclosure requirements of SEC Regulation S-K, Item 404; or
 - g. loans permitted under Section 13(k) of the Exchange Act (charge cards).
3. a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company or by any parent or subsidiary of the Company as an executive officer. Family Member means a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home;
 4. a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:
 - a. payments arising solely from investments in the Company's securities; or

- b. payments under non-discretionary charitable contribution matching programs;
- 5. a director of the Company who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serves on the compensation committee of such other entity;
- 6. a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit, at any time during any of the past three years;
- 7. a director who is an affiliate of the Company or any of its subsidiaries. The term "affiliate" means a person that directly, or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified, such as an executive officer or the beneficial owner, directly or indirectly, of more than 10% or any class of voting equity securities of the specified person. The following will also be deemed to be affiliates: (i) an executive officer of an affiliate, (ii) a director who is also an employee of an affiliate, (iii) a general partner of an affiliate, and (iv) a managing member of an affiliate; and
- 8. a director who has participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

For purposes of independence, any three year look back periods commence on the date the relationship ceases. In addition, any reference to a "parent or subsidiary" covers entities the Company controls and consolidates with the Company's financial statements as filed with the SEC (but not if the Company reflects such entity solely as an investment in the Company's financial statements).

III. MEETINGS

The Committee shall meet as frequently as circumstances require, but in any event on a quarterly basis. The Committee may ask members of management or others to attend meetings and may provide pertinent information to them as the Committee deems necessary. The Committee shall meet privately in executive session at least annually with management, the remaining directors and as a committee to discuss any matters that the Committee or any of those groups believe should be discussed. Minutes shall be taken for each Committee meeting which shall then be approved at the next meeting of the Committee.

IV. RESPONSIBILITIES AND DUTIES

The Committee's primary responsibilities and duties are as follows:

A. Corporate Governance

1. Recommend the Guidelines;
2. Oversee compliance with the Guidelines; and
3. Periodically evaluate the Guidelines and the Company's corporate governance procedures.

B. Nomination

1. Identify, recruit and recommend potential candidates for nomination as directors;
2. Consider any director candidates recommended by shareholders;
3. Make recommendations to the Board concerning the structure and membership of the Committee and the other Board committees; and
4. Review director performance with input from other directors, at the time of re-nomination.

C. Evaluation

1. Annually evaluate the overall performance of the Board;
2. Periodically evaluate this Charter and the charters of the other Board committees as needed to ensure compliance with the Guidelines and applicable laws and regulations;
3. Periodically evaluate the assignment of directors to the Committee and to other Board committees to ensure compliance with the Guidelines and applicable laws and regulations;
4. Periodically evaluate director compensation to ensure that the Company's directors are compensated in a manner consistent with the Company's peer group;
5. Review with legal counsel any legal and regulatory matters that may have a material impact on the Guidelines and the Company's corporate governance process;
6. Through the Chairman, provide any necessary counseling to a director in the area of corporate governance; and
7. Report Committee actions and the Committee's evaluation of the overall performance of the Board to the Board with such recommendations as the Committee may deem appropriate.

D. Director Qualifications; Process for Identifying and Evaluating Nominees

1. Nominees for director shall possess the following minimum qualifications: broad experience, wisdom, integrity, the ability to make independent analytical inquiries, an understanding of the Company's business environment, and a willingness to devote adequate time to Board duties. The Committee shall be responsible for assessing the appropriate balance of skills and qualifications required of directors.
2. In identifying and evaluating nominees for director, including nominees recommended by shareholders, the Committee shall implement such process, as it deems appropriate including, in its sole discretion, retaining a third party or third parties to identify or evaluate or assist in identifying or evaluating potential nominees and to conduct background checks limited to the information requested in the Company's then current Director and Executive Officer Questionnaire prior to their initial nomination to the Board. However, at a minimum, each nominee for director shall (a) meet the minimum qualifications set forth above, (b) have at least one interview with the Committee and with any other Board member who requests an interview, and (c) complete and sign the Company's Director and Executive Officer Questionnaire in a form deemed appropriate by the Board prior to his or her nomination to the Board. Each director shall no less than annually complete and sign a Director and Executive Officer Questionnaire in a form deemed appropriate by the Board. In the event any information contained on a director's most recent Director and Executive Officer Questionnaire become incomplete or inaccurate, it shall be the responsibility of the director to provide complete and accurate information to the Committee within thirty days.
3. When formulating its director recommendations, the Committee shall also consider any advice and recommendations offered by the Company's Chief Executive Officer and any non-committee members of the Board.
4. When formulating its director recommendations, the Committee shall also consider any written recommendations received from the shareholders of the Company. There shall be no difference in the manner in which the Committee evaluates nominees for director based on whether the nominee is recommended by a shareholder.

E. Proxy Statement Disclosure of Director Nominees

To the extent required by applicable law or SEC rule or regulation, the Company shall include the following information in its proxy statements where directors are to be elected:

1. With regard to each nominee approved by the Committee for inclusion on the Company's proxy card (other than nominees who are executive officers or who are directors standing for re-election), a statement as to which one or more of the following categories of persons or entities recommended that nominee; shareholder, non-management director, chief executive officer, other executive officer, third-party search firm, or other, specified source;
2. If the Company pays a fee to any third party or parties to identify or evaluate or assist in identifying or evaluating potential nominees, disclosure of the function performed by each such third party; and
3. If the Committee received, by a date not later than the 120th calendar day (or such other date as may be established by SEC rule or regulation) before the date of the Company's proxy statement released to shareholders in connection with the previous year's annual meeting, a recommended nominee from a shareholder that beneficially owned more than 5% of the Company's voting common stock for at least one year as of the date the recommendation was made, or from a group of shareholders that beneficially owned, in the aggregate, more than 5% of the Company's voting common stock, with each of the securities used to calculate that ownership held for at least one year as of the date the recommendation was made, the Company shall, in the Company's proxy statement (a) identify the candidate and the shareholder or shareholder group that recommended the candidate and (b) disclose as to whether the Committee chose to nominate the candidate, provided, however, that no such identification or disclosure is required without the written consent of both the shareholder or shareholder group and the candidate to be so identified.

F. Succession Planning

The Committee shall make an annual report to the Board on emergency as well as expected Chief Executive Officer succession planning. With input from the entire Board, the Committee shall nominate and evaluate potential successors to the Chief Executive Officer for consideration by the Board. The Chief Executive Officer shall provide the Committee with his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

V. INVESTIGATIONS

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and duties and it has direct access to anyone in the Company. The Committee has the ability to retain, at the Company's expense, legal, accounting, or other consultants or experts it deems necessary to fulfill its responsibilities and duties.

VI. WRITTEN AFFIRMATION

Once each year the Committee shall provide the Company through the Board, and, if required, the Company shall provide to the SEC and to Nasdaq, or such other primary stock exchange on which the Company's securities are traded, written confirmation regarding:

1. Any determination that the Board has made regarding the independence of directors who are members of the Committee or any other Board committees;
2. Any determination that the Board has made regarding adherence to, or deviation from, the Guidelines or other corporate governance policies; and
3. The annual review and reassessment of this Charter and the Guidelines.

VII. CERTIFICATION

The Company shall certify to Nasdaq, or such other primary stock exchange on which the Company's securities are traded, that it has adopted a formal written charter or board resolution, as applicable, addressing the nominating process and such related matters as may be required under the federal securities laws.

VIII. AVAILABILITY OF CHARTER TO SECURITY HOLDERS

The Company shall provide its security holders with a copy of this Charter by either (i) posting a current copy on the Company's website and providing its website address in its proxy statement, or (ii) including a current copy as an appendix to its proxy statement at least once every three fiscal years.