



**Cato Corporation (The)****CATO NYSE****Retail - Apparel / Accessories**

Market Capitalization USD:

\$664.42 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less. 
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: John P. Derham Cato**Age: 61****CEO Since: 1999**

	2009	2010	2011
Base Salary	\$1,015,000	\$1,039,125	\$1,065,375
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,530,000	\$1,568,250	\$1,591,920
Benefits and Perquisites	\$142,930	\$156,390	\$140,714
TOTAL ANNUAL COMPENSATION	\$2,687,930	\$2,763,765	\$2,798,009
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$959,595	\$859,734	\$690,796
TOTAL COMPENSATION	\$3,647,525	\$3,623,499	\$3,488,805
Median of Other Named Executive Officers Total Compensation	\$643,975	\$686,085	\$646,213
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$371,583	\$719,905	\$1,108,003
TOTAL REALIZED EQUITY COMPENSATION	\$371,583	\$719,905	\$1,108,003

Proxy Date: 6 Apr 2012

Annual Meeting Date: 24 May 2012

Equity Reserves: 2.96%

Stock Option Run Rate: 0.00%

Cato Corporation (The)

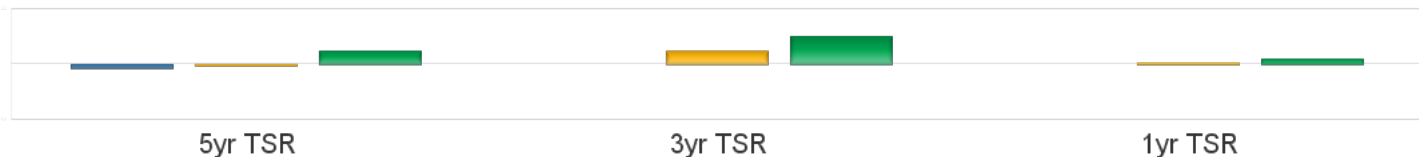
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Performance Comparison

■ S&P500 ■ Industry ■ CATO



Peer Comparisons (TRBC) =Retail - Apparel / Accessories

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
CATO	Cato Corporation (The)	\$3,647,525	\$3,623,499	\$3,488,805	\$664,415,033
CHS	Chico's FAS, Inc.	\$4,254,305	\$3,767,788		\$1,968,133,540
BKE	Buckle, Inc. (The)	\$7,631,297	\$5,272,297		\$1,821,208,110
DSW	DSW Inc.	\$3,966,372	\$5,161,217		\$1,815,601,427
EXPR	Express, Inc.		\$5,982,703		\$1,799,758,629
CRI	Carter's, Inc.	\$4,440,741	\$5,114,031	\$6,005,800	\$1,773,254,006
MW	Men's Wearhouse, Inc. (The)	\$1,498,911	\$1,971,804		\$1,335,061,462

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Aeropostale Inc., Ann Taylor Stores Corp., Bebe Stores, Inc., Buckle Inc., Cache Inc., Chicos Fas Inc., Christopher & Banks Corp., Coldwater Creek Inc., Dress Barn Inc., Gymboree Corp., New York & Company Inc., Pacific Sunwear of California Inc., Shoe Carnival Inc., The Talbot's Inc., Wet Seal Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Daniel Harding Stowe	Chairman	56	Male	7	Outside
Bailev W. Patrick	Member	50	Male	3	Outside
Edward Weisiaer	Member	51	Male	2	Outside

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