

STAGE STORES INC
Form DEF 14A
April 26, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to § 240.14a-12

Stage Stores, Inc.
(Name of Registrant as Specified In Its Charter)

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- x No fee required.
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Stage Stores, Inc.
Notice of 2018 Annual Meeting of Shareholders
and
Proxy Statement

Stage Stores, Inc.
2425 West Loop South
Houston, Texas 77027

April 26, 2018

Dear Shareholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2018 Annual Meeting of Shareholders of Stage Stores, Inc. The Annual Meeting will be held at our corporate office located at 2425 West Loop South, Houston, Texas, on June 7, 2018, beginning at 8:15 a.m. CDT.

The following pages contain the Notice of Annual Meeting of Shareholders and the accompanying Proxy Statement. We encourage you to review these materials for information concerning the business to be conducted at the Annual Meeting.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we urge you to vote as soon as possible. If you attend the Annual Meeting, you may revoke your proxy and vote in person, even if you have previously submitted a proxy.

We have elected to take advantage of Securities and Exchange Commission rules that allow us to furnish proxy materials to certain shareholders on the Internet. On or about the date of this letter, we began mailing a Notice of Internet Availability of Proxy Materials to shareholders of record at the close of business on April 9, 2018. At the same time, we provided those shareholders with access to our online proxy materials and filed our proxy materials with the Securities and Exchange Commission. If you received a Notice of Internet Availability of Proxy Materials, you will not receive a printed copy of the proxy materials unless you request it by following the instructions for those materials contained in the Notice.

Thank you for your continued support of Stage Stores, Inc.

Sincerely,

William J. Montgoris
Chairman of the Board

STAGE STORES, INC.
NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

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Stage Stores, Inc.
2425 West Loop South
Houston, Texas 77027

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 7, 2018

To our Shareholders:

The 2018 Annual Meeting of Shareholders of Stage Stores, Inc. will be held at our corporate office located at 2425 West Loop South, Houston, Texas 77027 on June 7, 2018, beginning at 8:15 a.m. CDT, for the following purposes:

1. Elect as directors the seven nominees named in the Proxy Statement for a term of one year;
2. Approve, on an advisory basis, the compensation of our named executive officers;
3. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending February 2, 2019; and
4. Transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on April 9, 2018 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and any postponement or adjournment thereof. We began mailing a Notice of Internet Availability of Proxy Materials on or about April 26, 2018 to shareholders of record at the close of business on April 9, 2018. The Notice contains information on how to access on the Internet our 2018 Proxy Statement, our 2017 Annual Report to Shareholders, our Annual Report on Form 10-K for the fiscal year ended February 3, 2018 and the form of proxy, as well as instructions on how to request a paper copy of the proxy materials.

By Order of the Board of Directors,
Chadwick P. Reynolds
Executive Vice President,
Chief Legal Officer and Secretary

April 26, 2018
Houston, Texas

Your vote is very important. Shareholders are urged to vote online. If you attend the Annual Meeting, you may revoke your proxy and vote in person if you wish, even if you have previously submitted a proxy.

IMPORTANT INFORMATION REGARDING VOTING

If our common shares are registered in your name with our transfer agent, you are considered, with respect to those common shares, a holder of record (which we also refer to as a registered shareholder). If you hold our common shares in a brokerage account or through a bank or other nominee serving as holder of record, you are considered the beneficial shareholder of those common shares, which are also referred to as held in “street name.”

If you are a beneficial shareholder, you must instruct your broker, bank or other nominee how to vote your common shares. If you do not provide voting instructions, your common shares will not be voted on any proposal on which your broker, bank or other nominee does not have discretionary authority to vote. This is called a “broker non-vote”. In such cases, your broker, bank or other nominee may register your common shares as being present at the Annual Meeting for purposes of determining the presence of a quorum, but will not be able to vote on those matters for which specific authorization is required under the rules of the New York Stock Exchange (“NYSE”).

If you are a beneficial shareholder, your broker has discretionary authority under NYSE rules to vote your common shares on Item 3 (Ratification of the Appointment of Deloitte & Touche LLP) in the event the broker does not receive voting instructions from you. However, your broker does not have discretionary authority to vote your common shares on Item 1 (Election of Directors) or Item 2 (Say-on-Pay Vote) without instructions from you, in which case a broker non-vote will occur and your common shares will not be voted on those matters. Accordingly, it is particularly important that beneficial owners instruct their brokers how they wish to vote their shares.

If you have any questions about the voting process, please contact the broker, bank or other nominee holding your common shares. The Securities and Exchange Commission (“SEC”) also has a website (sec.gov/spotlight/proxymatters.shtml) with more information about your rights as a shareholder. Additionally, you may contact our Investor Relations Department via the information located in the Investor Relations section of our website (corporate.stage.com/investor-relations).

IMPORTANT INFORMATION REGARDING AVAILABILITY OF PROXY MATERIALS

Our 2018 Proxy Statement, our 2017 Annual Report to Shareholders and our Annual Report on Form 10-K for the fiscal year ended February 3, 2018, are available for review by registered shareholders at envisionreports.com/SSI and by beneficial shareholders at edocumentview.com/SSI.

IMPORTANT INFORMATION REGARDING ANNUAL MEETING ATTENDANCE

In accordance with our security procedures, all persons attending the Annual Meeting must present picture identification and either their Notice of Internet Availability or the admission ticket found on their proxy card (if they requested and received a proxy card), or a brokerage statement or other proof of ownership of our common shares as of the record date. For security purposes, briefcases, bags, purses, backpacks and other containers will be subject to search at the door.

Directions to our corporate office, which is the location of the Annual Meeting, are available in the Investor Relations section of our website (corporate.stage.com/investor-relations).

Stage Stores, Inc.
2425 West Loop South
Houston, Texas 77027

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (“Board”) of Stage Stores, Inc., a Nevada corporation (“we”, “our”, “us” and “Stage”), for use at the 2018 Annual Meeting of Shareholders to be held at our corporate office located at 2425 West Loop South, Houston, Texas 77027, on June 7, 2018, beginning at 8:15 a.m. CDT (“Annual Meeting”). On or about April 26, 2018, we began mailing to our shareholders of record at the close of business on April 9, 2018, a Notice of Internet Availability containing instructions on how to access the Notice of Annual Meeting of Shareholders, this Proxy Statement and our Annual Report to Shareholders for 2017.

Unless otherwise noted, references in this Proxy Statement to a particular year correspond to our fiscal year. For example, “2015” refers to our fiscal year ended January 30, 2016, “2016” refers to our fiscal year ended January 28, 2017, “2017” refers to our fiscal year ended February 3, 2018, and “2018” refers to our fiscal year ending February 2, 2019.

ABOUT THE ANNUAL MEETING

Purpose of the Annual Meeting

At the Annual Meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders included with this Proxy Statement. Specifically, shareholders will be asked to: (1) elect as directors the seven nominees named in this Proxy Statement; (2) approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and the narrative discussion accompanying the tables (“Say-on-Pay Vote”); (3) ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018; and (4) transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Voting Securities and Shareholder Voting Rights

Our voting securities consist of our common stock, par value \$0.01 per share. Only shareholders of record of our common stock at the close of business on April 9, 2018 (“Record Date”) are entitled to receive notice of, and to vote at, the Annual Meeting. On the Record Date, there were 27,892,597 outstanding shares of our common stock and holders of an additional 1,443,034 shares of vested and unvested restricted stock with voting rights. Each share of our outstanding common stock and unvested restricted stock entitles the holder thereof to one vote on each matter to be voted upon at the Annual Meeting or any postponement or adjournment thereof. Treasury shares are not voted.

Individual votes of shareholders are kept private, except as appropriate to meet legal requirements. Access to proxies and other individual shareholder voting records is limited to our inspector of election and certain of our employees and agents who must acknowledge their responsibility to comply with this policy of confidentiality.

A list of the record holders entitled to vote at the Annual Meeting will be available for inspection at the Annual Meeting. All voting at the Annual Meeting will be governed by our Amended and Restated Articles of Incorporation (“Articles of Incorporation”), our Amended and Restated Bylaws (“Bylaws”) and the applicable laws of the State of Nevada.

Registered Shareholders and Beneficial Shareholders

If our common shares are registered in your name directly with our transfer agent, you are considered, with respect to those common shares, a holder of record (which we also refer to as a registered shareholder). If you hold our common shares in a brokerage account or through a bank or other nominee, you are considered the beneficial shareholder of those common shares, which are also referred to as held in “street name.”

Internet Availability of Proxy Materials

In accordance with rules adopted by the Securities and Exchange Commission (“SEC”), instead of mailing a printed copy of our proxy materials to each shareholder of record, we are permitted to furnish our proxy materials, including the Notice of Annual Meeting of Shareholders, this Proxy Statement, our 2017 Annual Report to Shareholders and our Annual Report on Form 10-K for 2017, by providing access to those documents on the Internet. Generally, shareholders will not receive printed copies of the proxy materials unless they request them.

A Notice of Internet Availability that provides instructions for accessing our proxy materials on the Internet was mailed directly to registered shareholders. The Notice of Internet Availability also provides instructions regarding how registered shareholders may vote their common shares on the Internet. Registered shareholders who prefer to receive a paper or email copy of our proxy materials should follow the instructions provided in the Notice of Internet Availability for requesting those materials.

The broker, bank or other nominee who is considered the registered shareholder with respect to common shares should forward to the beneficial shareholder of those common shares a notice that directs the beneficial shareholder to the website where our proxy materials may be accessed. That broker, bank or other nominee should also provide to the beneficial shareholders instructions on how the beneficial shareholders may request a paper or email copy of our proxy materials. Beneficial shareholders have the right to direct their broker, bank or other nominee on how to vote their common shares by following the voting instructions they receive from their broker, bank or other holder of record.

To elect to receive proxy materials for future shareholder meetings through our electronic delivery service, follow the instruction in your Notice of Internet Availability (or proxy card, if you received printed copies of the proxy materials) to register online at envisionreports.com/SSI and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years.

How to Vote

As a Registered Shareholder

After receiving the Notice of Internet Availability (or proxy card, if you received printed copies of the proxy materials), registered shareholders are urged to visit envisionreports.com/SSI to access our proxy materials and vote online. When voting online, you must follow the instructions posted on the website and you will need the control number included on your Notice of Internet Availability (or proxy card, if applicable). Registered shareholders may also vote by telephone by calling 1-800-652-8683, by completing and mailing a proxy card (if you received printed copies of the proxy materials), or by submitting a written ballot at the Annual Meeting. If, after receiving the Notice of Internet Availability, you request (via online, toll-free telephone number or email) that we send you paper or electronic copies of our proxy materials, you may vote your common shares by completing, dating and signing the proxy card included with the materials and returning it in accordance with the instructions provided.

If you vote online, by telephone or by mail, your vote must be received by 11:59 p.m. EDT on June 6, 2018, the day before the Annual Meeting.

If you timely and properly submit your vote, your common shares will be voted as you direct. If you return or otherwise complete your proxy card, but you do not indicate your voting preferences, the proxies will vote your shares FOR the election of the director nominees identified in Item 1 (Election of Directors), FOR the approval of the compensation of our named executive officers as disclosed in Item 2 (Say-on-Pay Vote) and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018 as described in Item 3 (Ratification of the Appointment of Deloitte & Touche LLP), and in their discretion for such other matters as

may properly come before the Annual Meeting or any adjournment thereof.

A registered shareholder may revoke a proxy at any time before it is exercised by filing with our Inspector of Election a written notice of revocation or duly executing and delivering to our Secretary a proxy bearing a later date. A registered shareholder

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may also revoke a proxy by attending the Annual Meeting and giving written notice of revocation to the secretary of the meeting. Attendance at the Annual Meeting will not by itself revoke a previously granted proxy.

As a Beneficial Shareholder

Beneficial shareholders should follow the procedures and directions set forth in the materials they receive from the broker, bank or other nominee who is the registered holder of their common shares to instruct such registered holder how to vote those common shares or revoke previously given voting instructions. Please contact your broker, bank or other nominee to determine the applicable deadlines. Beneficial shareholders who wish to vote at the Annual Meeting will need to obtain and provide to the secretary of the meeting a completed form of proxy from the broker, bank or other nominee who is the registered holder of their common shares.

Brokers, banks and other nominees who hold common shares for beneficial shareholders in street name may vote such common shares on “routine” matters (as determined under NYSE rules), such as Item 3 (Ratification of the Appointment of Deloitte & Touche LLP), without specific voting instructions from the beneficial owner of such common shares.

Brokers, banks and other nominees may not, however, vote such common shares on “non-routine” matters, such as Item 1 (Election of Directors) and Item 2 (Say-on-Pay Vote) without specific voting instructions from the beneficial owner of such common shares. Proxies submitted by brokers, banks and other nominees that have not been voted on “non-routine” matters are referred to as “broker non-votes.” Broker non-votes will not be counted for purposes of determining the number of common shares necessary for approval of any matter to which broker non-votes apply (i.e., broker non-votes will have no effect on the outcome of such matter).

Householding

SEC rules allow multiple shareholders residing at the same address the convenience of receiving a single copy of the Notice of Internet Availability, Annual Report to Shareholders and proxy materials if they consent to do so (“householding”). Householding is permitted only in certain circumstances, including when you have the same last name and address as another shareholder. If the required conditions are met, and SEC rules allow, your household may receive a single copy of the Notice of Internet Availability, Annual Report to Shareholders and proxy materials. Upon written or oral request, we will promptly deliver a separate copy of the Notice of Internet Availability, Annual Report to Shareholders and proxy materials, as applicable, to a shareholder at a shared address to which a single copy of the document(s) was delivered. Such a request should be made in the same manner as a revocation of consent for householding.

You may either request householding or revoke your consent for householding at any time by contacting Computershare Investor Services, either by calling 1-877-878-7531 (within the U.S. or Canada) or 201-680-6578 (outside of the U.S. and Canada), or by writing to: Computershare Investor Services, Householding Department, 462 South 4th Street, Suite 1600, Louisville, KY 40202. You will be added to or removed from the householding program within 30 days of receipt of your instructions. If you revoke your consent for householding, you will be sent separate copies of the documents sent to our shareholders at such time as you are removed from the householding program. Beneficial shareholders may request more information about householding from their brokers, banks or other nominees.

Board’s Recommendations

Subject to revocation, all proxies that are properly completed and timely received will be voted in accordance with the instructions contained therein. If no instructions are given (excluding broker non-votes), the persons named as proxy holders will vote the common shares in accordance with the recommendations of the Board. The Board’s recommendations are set forth together with the description of each proposal in this Proxy Statement. In summary, the Board recommends a vote:

1. FOR the election of each of the seven director nominees named in this Proxy Statement (see Item 1);
2. FOR the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement (see Item 2); and
3. FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018 (see Item 3).

If any other matter properly comes before the Annual Meeting or any adjournment thereof, or if a director nominee named in this Proxy Statement is unable to serve or for good cause will not serve, the proxy holders will vote on that matter or for a substitute nominee as recommended by the Board.

Quorum

The presence, in person or by proxy, of the holders of a majority of the outstanding common shares entitled to be voted at the Annual Meeting will constitute a quorum and permit us to conduct our business at the Annual Meeting. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of common shares considered to be represented at the Annual Meeting for purposes of establishing a quorum.

Vote Required for Approval

Item 1

Our Corporate Governance Guidelines (“Governance Guidelines”) contain a majority vote policy and our Bylaws impose a majority vote standard applicable to the uncontested election of directors. Specifically, our Bylaws provide that if a quorum is present at the Annual Meeting, a director nominee in an uncontested election will be elected to the Board if the number of votes properly cast for the nominee’s election exceeds the number of votes properly cast against the nominee’s election. In all director elections other than uncontested elections, the seven director nominees receiving a plurality of the votes properly cast will be elected as directors. An “uncontested election” means an election of directors at a meeting of shareholders at which the number of director nominees does not exceed the number of directors to be elected. See the “Governance - Majority Vote Policy and Standard” section of this Proxy Statement for more information about our majority vote policy and standard. If no voting instructions are given (excluding broker non-votes), the persons named as proxy holders on the proxy card will vote the common shares FOR the election of the director nominees identified in Item 1 (Election of Directors).

Other Items

For purposes of Item 2 (Say-on-Pay Vote) and Item 3 (Ratification of the Appointment of Deloitte & Touche LLP), the affirmative vote of a majority of the votes cast on each such matter will be required for approval. The votes received with respect to Item 2 and Item 3 are advisory and will not bind the Board or us. A properly executed proxy marked “abstain” with respect to Item 2 or Item 3 will not be voted with respect to such matter. Abstentions and broker non-votes, if any, will not be counted as votes cast, and they will have no effect on the outcome of the matters to be voted on at the Annual Meeting. If no voting instructions are given (excluding broker non-votes), the persons named as proxy holders on the proxy card will vote the common shares in accordance with the recommendations of the Board.

ITEM 1: ELECTION OF DIRECTORS

At the Annual Meeting, seven directors are to be elected to serve until the next annual meeting of shareholders and until their respective successors are elected and qualified, or until their earlier death, resignation or removal. All seven nominees are currently directors on our Board. Proxies may not be voted at the Annual Meeting for more than seven persons. Our shareholders do not have cumulative voting rights in the election of directors. The Board’s Corporate Governance and Nominating Committee recommended the directors listed below for re-election. The Board knows of no reason why any nominee may be unable to serve as a director. If a nominee is unable to serve or for good cause will not serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate.

Information concerning each nominee is set forth in the following table, including each nominee’s age (as of the Record Date), current Board committee memberships, business experience and principal occupation for the past five years or more, the specific experience, qualifications, attributes or skills of each nominee that led to the conclusion that the nominee should serve as a director (which are in addition to the general qualifications discussed in the “Director Qualifications; Identifying and Evaluating Nominees” section below), other public company directorships held by each nominee during the past five years, and tenure as a director on the Board. The Board has affirmatively determined that, with the exception of Mr. Glazer, all of the nominees are independent of Stage, its subsidiary and its management under the standards set forth in the NYSE rules, and no nominee has a material relationship with Stage, its subsidiary or its management aside from his or her service as a director. Mr. Glazer is not an independent director due to his employment as our President and Chief Executive Officer (“CEO”).

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Name	Age	Director Since	Business Experience, Current Positions on the Board's Committees, and Specific Qualifications for Service on the Board
Alan J. Barocas	69	2007	<p>Business Experience: Senior Executive Vice President of Leasing at GGP Inc., a real estate development and management firm, from January 2011 until his retirement in June 2017. From May 2006 to January 2011, Mr. Barocas was the principal of Alan J. Barocas and Associates, a real estate consulting firm. From June 1981 to April 2006, he was employed by GAP, Inc., an apparel retailer, last serving as Senior Vice President of Real Estate.</p> <p>Committee Memberships: Audit Committee; Corporate Governance and Nominating Committee</p> <p>Director Qualifications: Mr. Barocas' lengthy service in senior executive roles for large public companies in the real estate and retail industries provides the Board with valuable leadership experience and real estate and retail expertise.</p> <p>Business Experience: From August 2010 until her retirement in September 2012, Ms. Crowley served as Executive Vice President and Chief Financial Officer for Mattress Giant Corporation, a mattress retailer. From August 2008 to August 2010, Ms. Crowley served as Executive Vice President and Chief Financial Officer and Senior Vice President, Controller and Chief Accounting Officer/Chief Financial Officer for Michaels Stores, Inc., an arts and crafts retailer. From August 1990 to September 2007, Ms. Crowley was employed by The Bombay Company, Inc. ("Bombay"), a furniture and home goods retailer, most recently as Senior Vice President, Chief Financial Officer and Treasurer. She continues to hold that title for administrative purposes while also having served as Liquidation Trustee for the Bombay Liquidation Trust from September 2007 to December 2017.</p> <p>Committee Memberships: Audit Committee (Chair); Compensation Committee</p> <p>Director Qualifications: Ms. Crowley's tenure in senior executive and financial roles with other retailers and experience as a Certified Public Accountant in public accounting provides the Board with valuable leadership experience and financial and retail expertise.</p> <p>Business Experience: Brand President - Chico's of Chico's FAS, Inc. since November 2016. From August 2013 to October 2016, Ms. Ellis served as CEO of Limited Stores, LLC, a fashion retailer. Limited Stores, LLC filed for bankruptcy protection on January 17, 2017. From September 2004 until August 2013, Ms. Ellis served as President and Chief Operating Officer of Brooks Brothers Group, Inc., an apparel retailer.</p>
Elaine D. Crowley	59	2014	<p>Committee Memberships: Audit Committee; Corporate Governance and Nominating Committee</p> <p>Director Qualifications: Ms. Ellis' service in senior executive roles with other retailers and deep experience in merchandising, marketing and e-commerce, as well as her experience in strategic consulting to the retail industry while at Lighthouse Retail Group and PricewaterhouseCoopers LLC, provides the Board with valuable leadership and industry experience and retail, marketing and strategic planning expertise.</p>
Diane M. Ellis	60	2012	<p>Committee Memberships: Audit Committee; Corporate Governance and Nominating Committee</p> <p>Director Qualifications: Ms. Ellis' service in senior executive roles with other retailers and deep experience in merchandising, marketing and e-commerce, as well as her experience in strategic consulting to the retail industry while at Lighthouse Retail Group and PricewaterhouseCoopers LLC, provides the Board with valuable leadership and industry experience and retail, marketing and strategic planning expertise.</p>

Name	Age	Director Since	Business Experience, Current Positions on the Board's Committees, and Specific Qualifications for Service on the Board
Michael L. Glazer	69	2001	<p>Business Experience: Our President and CEO since April 2012. From October 2009 to April 2012, Mr. Glazer served as the President and CEO of Mattress Giant Corporation, a mattress retailer. From August 2005 to October 2009, Mr. Glazer served as Managing Director of Team Neu, a private equity firm. From May 1996 to August 2005, Mr. Glazer served as President and CEO of KB Toys, Inc., a toy retailer. Mr. Glazer served as a director of CPI Corporation, a portrait studio operator, from December 2008 to July 2012.</p> <p>Committee Memberships: None</p> <p>Director Qualifications: Mr. Glazer's more than 40 years in the retail industry, tenure as CEO of several retailers and significant knowledge of our business, provides the Board with valuable retail expertise, leadership and industry experience.</p>
Earl J. Hesterberg	64	2010	<p>Business Experience: President, CEO and a director of Group 1 Automotive, Inc., an automotive retailer, since April 2005. From October 2004 to April 2005, Mr. Hesterberg served as Group Vice President, North America Marketing, Sales and Service for Ford Motor Company. Mr. Hesterberg has also served as President and CEO of Gulf States Toyota, a distributor of vehicles, parts and accessories.</p> <p>Committee Memberships: Compensation Committee (Chair); Corporate Governance and Nominating Committee</p> <p>Director Qualifications: Mr. Hesterberg's extensive experience in senior executive roles, particularly as CEO, for large public companies in the retail industry and deep knowledge of marketing, customer service, strategic planning and consumer research provides the Board with valuable leadership and strategic planning experience and marketing and retail expertise.</p>
Lisa R. Kranc	64	2012	<p>Business Experience: Senior Vice President, Marketing of AutoZone, Inc., an automotive aftermarket parts retailer and distributor, from August 2001 until her retirement in December 2012. Since September 2015, Ms. Kranc has served on the Board of Directors of Truck Hero, Inc., a supplier of truck accessories. From June 2014 to May 2015, Ms. Kranc served on the Board of Directors of Armored AutoGroup, Inc., a consumer products manufacturer.</p> <p>Committee Memberships: Compensation Committee; Corporate Governance and Nominating Committee (Chair)</p> <p>Director Qualifications: Ms. Kranc's tenure in a senior executive role for a large public company in the retail industry and extensive experience in marketing, brand management, consumer research and strategic planning provides the Board with valuable leadership and strategic planning experience and marketing and retail expertise.</p>

Name	Age	Director Since	Business Experience, Current Positions on the Board's Committees, and Specific Qualifications for Service on the Board
William J. Montgoris	71	2004	<p>Business Experience: Chairman of the Board of Stage since June 2010. From August 1993 until his retirement in June 1999, Mr. Montgoris served as Chief Operating Officer of The Bear Stearns Companies, Inc. ("Bear Stearns"), an investment bank and securities trading and brokerage firm. Mr. Montgoris also served as Chief Financial Officer at Bear Stearns from April 1987 until October 1996. Since August 2008, Mr. Montgoris has served on the Board of Directors of Carter's, Inc., a retailer and marketer of children's apparel, where he is a member of the audit committee. From July 2008 to November 2013, Mr. Montgoris served on the Board of Directors of OfficeMax Incorporated, an office products retailer, where he was a member of the audit and compensation committees.</p> <p>Committee Memberships: Audit Committee</p> <p>Director Qualifications: Mr. Montgoris' extensive experience in senior executive roles with a leading global investment banking firm and as a director at large public companies in the retail industry, as well as his experience as a Certified Public Accountant and deep finance and accounting knowledge, provides the Board with valuable leadership and financial and retail expertise.</p>

THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH NOMINEE LISTED ABOVE.

GOVERNANCE

Board Leadership Structure

Our business is managed under the direction of the Board. The Board is currently comprised of the directors identified in Item 1. Members of the Board are kept informed of our business through discussions with our CEO and other members of management and by reviewing materials provided to them, visiting our offices, stores and distribution centers, and participating in meetings of the Board and its committees.

Our CEO does not serve as the Chairman of the Board. We believe that separating the roles of CEO and Chairman of the Board is the appropriate leadership structure for us because, while it allows the CEO to speak for and lead us and communicate with other members of senior management, it provides for effective oversight by the Board, as each of our directors is highly qualified and experienced and exercises a strong oversight function. The Chairman sets the agendas for meetings of the Board, chairs the Board meetings, and is responsible for briefing our CEO, as needed, concerning executive sessions of the independent members of the Board. The Chairman also determines when additional meetings of the Board are needed.

Corporate Governance Guidelines

We have adopted written Governance Guidelines to assist in fulfilling our corporate governance responsibilities. The Governance Guidelines provide a structure within which our directors and management may monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing shareholder value over the long term. The Governance Guidelines are available in the Corporate Governance section of our website (corporate.stage.com/corporate-governance).

Code of Ethics and Business Conduct and Code of Ethics for Senior Officers

We have adopted a written Code of Ethics and Business Conduct ("Code of Ethics") to serve as the basic set of policies and procedures governing the behavior of our directors, executive officers and other employees in conformance with NYSE rules. It is our policy to adhere to the highest standards of business ethics in all our business activities. When engaging in any activity concerning us, our customers, competitors, suppliers, other employees, shareholders or the general public, our directors, executive officers and other employees must maintain standards of uncompromising integrity and conduct themselves in a professional manner.

We have also adopted a Code of Ethics for Senior Officers ("Code for Senior Officers") that promotes ethical conduct in the practice of financial management. The Code for Senior Officers is designed to deter wrongdoing and provide principles that our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions are expected to adhere to and advocate. These principles embody rules regarding individual and peer responsibilities, as well as responsibilities to our shareholders and others who have a stake in our

continued success.

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The Code of Ethics and the Code for Senior Officers are each available in the Corporate Governance section of our website (corporate.stage.com/corporate-governance). We intend to satisfy the requirements of Item 5.05 of Form 8-K regarding disclosure of amendments to or waivers from any applicable provision of the Code of Ethics and the Code for Senior Officers that relate to elements listed under Item 406(b) of Regulation S-K and apply to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions, if any, by posting such information in the Corporate Governance section of our website (corporate.stage.com/corporate-governance).

Director Independence

The Board undertook its most recent annual review of director independence in March 2018. During the review, the Board, in accordance with NYSE rules, broadly considered all relevant facts and circumstances to determine whether any director has a material relationship with us, either directly or indirectly, other than serving as one of our directors, including all transactions, relationships and arrangements between each director, his or her affiliates, and any member of his or her immediate family, on one hand, and Stage, its subsidiary and members of management, on the other hand. The purpose of this review was to determine whether any such transactions, relationships or arrangements were inconsistent with a determination that the director is independent in accordance with NYSE rules.

As a result of the review, the Board affirmatively determined that, with the exception of Mr. Glazer, all of the current directors, each of whom is nominated for election at the Annual Meeting, are independent of Stage, its subsidiary and management under the standards set forth in the NYSE rules, and no director or director nominee, with the exception of Mr. Glazer, has a material relationship with Stage, its subsidiary or management aside from his or her service as a director. Mr. Glazer was deemed not independent due to his employment as our President and CEO.

All members of the Board's Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee are independent directors. Members of the Audit Committee also satisfy a separate SEC independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from us or our subsidiary other than their directors' compensation. Members of the Compensation Committee also satisfy separate NYSE independence requirements to ensure independence from management.

In evaluating director independence, the Board considered store leasing transactions between our subsidiary and GGP, Inc. ("GGP"), which employed Mr. Barocas until his retirement on June 30, 2017. As of the date of Mr. Barocas' retirement, we leased three of our nearly 850 store locations from GGP in the ordinary course of our business. The Board reviewed the payments we made to GGP in each of the last three years (\$0.6 million in 2017, \$0.2 million in 2016 and \$0.3 million in 2015), discussed the matter with Mr. Barocas, and reviewed GGP's reported consolidated gross revenues (\$2.3 billion in 2017, \$2.3 billion in 2016 and \$2.4 billion in 2015). Based on this review, the Board determined that the transactions are immaterial and do not impair Mr. Barocas' independence. The Board also concluded that Mr. Barocas did not have a direct or indirect material interest in our store leasing transactions with General Growth during 2017.

Majority Vote Policy and Standard

Our Bylaws impose a majority vote standard in uncontested elections of directors and our Governance Guidelines contain a majority vote policy applicable to uncontested elections of directors. Section 2.14 of our Bylaws provides that if a quorum is present at the Annual Meeting, a director nominee in an uncontested election will be elected to the Board if the number of votes properly cast for the nominee's election exceeds the number of votes properly cast against the nominee's election. The majority vote policy contained in our Governance Guidelines requires any director nominee who does not receive more votes cast for the nominee's election than votes cast against the nominee's election to deliver his or her resignation from the Board to the Corporate Governance and Nominating Committee. Upon its receipt of such resignation, the Corporate Governance and Nominating Committee will promptly consider the resignation and recommend to the Board whether to accept the resignation or to take other action. The Board will act on the recommendation of the Corporate Governance and Nominating Committee no later than 100 days following the certification of the shareholder vote. The Corporate Governance and Nominating Committee, in making its recommendation, and the Board, in making its decision, will evaluate the resignation in light of the best interests of Stage and our shareholders and may consider any factors and other information they deem relevant. We will promptly publicly disclose the Board's decision in a press release or periodic or current report to the SEC.

Related Person Transactions

The Board, with the assistance of the Audit Committee and the Corporate Governance and Nominating Committee, monitors compliance with our corporate governance policies, practices and guidelines applicable to our directors, nominees for director, officers and employees. Our Governance Guidelines, Code of Ethics and human resources policies address governance matters and prohibit, without the consent of the Board or its designee, directors, officers and other employees from engaging in transactions that conflict with our interests or that otherwise usurp corporate opportunities. Our Governance Guidelines also

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prohibit our directors, officers and other employees from entering into any agreement or arrangement with any person or entity or to authorize any transaction which we may be required to disclose to the SEC unless the agreement or arrangement is approved by the Board.

Pursuant to our written Related Person Transaction Policy, the Audit Committee also evaluates “related person transactions,” which we define more stringently than is required under SEC rules. Under our policy, we consider a related person transaction to be any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships): (1) involving more than \$5,000 in which we and any of our directors, executive officers, other employees, holders of more than five percent of our common shares, or their respective immediate family members were or are to be a participant; and (2) in which such related person had, has or will have a direct or indirect material interest. Our policy requires our directors, executive officers and other employees to report to the attention of the Chair of the Audit Committee all transactions, whether proposed or existing, of which they have knowledge and which they believe may constitute a related person transaction. If the Audit Committee Chair, with the assistance of legal counsel, determines that the transaction constitutes a related person transaction, the Audit Committee Chair or our Chief Legal Officer will notify the other members of the Audit Committee.

Thereafter, the Audit Committee will review the related person transaction, considering all factors and information it deems relevant, and approve or disapprove the transaction in light of what the Committee believes to be the best interests of Stage and our shareholders. If advance approval is not practicable or if a related person transaction that has not been approved is discovered, the Audit Committee will promptly consider whether to ratify the transaction. In such event, if the Audit Committee declines to ratify the transaction, the Audit Committee will, taking into account all of the factors and information it deems relevant (including the rights available to us under the transaction), determine whether we should amend, rescind or terminate the transaction in light of what it believes to be the best interests of our shareholders and Stage. We do not intend to engage in related person transactions not approved or ratified by the Audit Committee. Examples of factors and information that the Audit Committee may consider in its evaluation of a related person transaction include: (1) the reasons for entering into the transaction; (2) the terms of the transaction; (3) the benefits of the transaction to us; (4) the comparability of the transaction to similar transactions with unrelated third parties; (5) the materiality of the transaction to each party; (6) the nature of the related person’s interest in the transaction; (7) the potential impact on the independence of an outside director; and (8) the alternatives to the transaction.

In addition, on an annual basis, each director, director nominee and executive officer must complete a questionnaire that requires written disclosure of any related person transaction. The responses to these questionnaires are reviewed by our Chief Legal Officer and Controller, and shared with the Board, to identify any potential conflicts of interest or potential related person transactions.

If a related person transaction, as defined under SEC rules, existed, we would disclose the transaction as required. Based on our most recent review conducted in the first quarter of 2018, none of our directors, director nominees, officers or other employees have engaged in any related person transaction requiring disclosure since the beginning of 2017.

Loans to Directors and Executive Officers Prohibited

Our Governance Guidelines also prohibit us from, directly or indirectly, extending or maintaining credit, or arranging for or guaranteeing the extension of credit, in the form of a personal loan to or for any of our directors, executive officers or their immediate family members.

Policy on Poison Pills

The term “poison pill” refers to a type of shareholder rights plan that some companies adopt to provide an opportunity for negotiation during a hostile takeover attempt. The Board has not adopted a poison pill. However, as we are a Nevada corporation, our Articles of Incorporation provide that we have expressly elected to be governed by Chapter 78 of the Nevada Revised Statutes (“NRS 78”) with respect to the acquisition of a controlling interest in us. NRS 78 provides that a person who seeks to acquire a “controlling interest” (20% or greater) in a Nevada corporation will only obtain such voting rights in the shares acquired (“control shares”) as are granted by a vote of the holders of a majority of our remaining voting power at a special or annual meeting of the shareholders. In addition, NRS 78 provides that we may redeem not less than all of the control shares at the average price of the control shares if the control shares are not granted full voting rights by the shareholders.

Attendance at Board, Committee and Shareholder Meetings

The Board held eight meetings during 2017. During 2017, each director attended at least 75% of the aggregate of the total number of meetings of the Board and the committees on which he or she served (in each case, held during the periods that he or she served). The independent directors meet in regularly scheduled executive sessions of the Board and its committees without employees and non-independent directors present. The Chairman of the Board or committee chair, as applicable, presides at all

executive sessions. It is the Board's policy that each director should be present for the annual meeting of shareholders absent exceptional cause. Each of our current directors attended our 2017 annual meeting of shareholders.

Board's Role in Risk Oversight

The Board's role in risk oversight is administered directly and through its standing committees, with each committee's role more fully described in the "Role of the Board's Committees" section below. The Audit Committee assists the Board in fulfilling its oversight responsibility relating to the performance of our system of internal controls, the integrity of our financial statements, legal and regulatory compliance, our audit, accounting and financial reporting processes, the qualifications, independence and work of our independent registered public accounting firm, and the evaluation of enterprise risk issues, particularly those risk issues not overseen by other committees. The Compensation Committee is responsible for overseeing the management of risks relating to our compensation programs, policies and practices. The Corporate Governance and Nominating Committee manages risks