

**CHRISTOPHER & BANKS CORPORATION**  
**CORPORATE GOVERNANCE GUIDELINES**

**(Revised and Adopted by Resolution of the Board of Directors on April 15, 2009)**

The Board of Directors (the “Board”) of Christopher & Banks Corporation (the “Company”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to promote the effective functioning of the Board and its committees and to reflect the Company’s commitment to the highest standards of corporate governance. The Board shall periodically review and amend the Guidelines as it deems necessary or appropriate.

**I. Director Qualifications and Board Composition**

*Election and Selection of Directors.*

Except as discussed below with respect to vacancies, the directors are elected by the Company’s stockholders at the Annual Meeting of Stockholders. Nominations for the election of directors at the Company’s Annual Meeting of Stockholders may be made by the Board (or a committee of the Board) or by any stockholder entitled to vote in the election of directors at the applicable Annual Meeting, in accordance with the Company’s Amended and Restated Bylaws (the “Bylaws”).

The Board’s Governance and Nominating Committee shall be responsible for identifying and recommending to the full Board qualified nominees for election at the Company’s Annual Meeting of Stockholders. The Board, taking into account the recommendations of the Governance and Nominating Committee, shall be responsible for the final selection of the nominees for election at the Company’s Annual Meeting of Stockholders.

All incumbent directors and director nominees are encouraged to attend each Annual Meeting of Stockholders of the Company.

The Board delegates the process of screening director candidates to the Governance and Nominating Committee, which may solicit advice from other members of the Board. The Board, taking into account the recommendations of the Governance and Nominating Committee, shall select, for election by the stockholders, the individual to fill any vacancy in an existing directorship or a newly-created directorship.

In identifying and selecting a nominee, the Board and the Governance and Nominating Committee shall consider (A) the nominee’s independence, judgment, strength of character, ethics and integrity; (B) the nominee’s business or other relevant experience and skills and knowledge useful to the oversight of the Company’s business; and (C) such other factors as they conclude are appropriate in light of the needs of the Board and the Board’s committees. The Board and the Governance and Nominating Committee shall also consider whether a potential nominee has the ability to devote sufficient time to carry out his or her responsibilities as a

director in light of such potential nominee's occupation and the number of boards of directors of other companies on which he or she serves.

In determining the composition of the Board, candidates are considered based on a variety of factors, including (A) relevant experience, (B) specific areas of expertise, including whether they complement the core competencies of the Board, (C) the Board's interest in reflecting a diversity of viewpoints and experiences and (D) any required attributes under applicable law.

### ***Independence.***

A majority of the directors of the Company shall meet the independence requirements of the New York Stock Exchange ("NYSE"). The Board shall review annually the relationship(s) that each director has with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Following each annual review, only those directors who the Board affirmatively determines have no material relationship with the Company will be considered independent directors, subject to any additional qualifications prescribed by the NYSE. The basis for any determination that a relationship is not material shall be disclosed in accordance with applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and the NYSE.

Each independent director shall notify the Chair of the Governance and Nominating Committee, as soon as practicable, in the event his or her circumstances change in a manner that may affect the Board's evaluation of his or her independence.

### ***Board Size and Classification.***

Until changed by the directors or the stockholders of the Company in accordance with the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and the Company's Bylaws, the Board shall consist of a number of directors set from time to time by resolution adopted by the affirmative vote of a majority of the whole Board. The Board shall periodically assess the size of the Board to ensure that it is neither too small to maintain the requisite expertise nor too large to be functional.

The Board shall be divided into three classes: Class I, Class II and Class III. The number of directors in each class shall be determined in accordance with the Certificate of Incorporation. One class of directors shall be elected every year, such that each class shall serve for a three-year term.

### ***Term/Age Limits.***

The Board does not believe it is advisable to establish arbitrary term limits on directors' service. The Board has a mandatory retirement age under which the director must complete his or her term before age 73. As part of its responsibilities, the Governance and Nominating Committee shall evaluate each incumbent director's qualifications, performance and ability to continue to contribute productively before recommending the nomination of that director for an additional term. The Board's self-evaluation process described below is also an important determinant of

director tenure.

***Limitation on Board Service.***

No member of the Board shall simultaneously serve on the boards of directors of more than three (3) public companies other than the Company. A director shall notify the Chair of the Board prior to becoming a director of another public company in order to avoid potential conflicts of interest and to address whether the aggregate number of directorships held by such director would interfere with his or her ability to carry out his or her responsibilities as a director of the Company. In the event that the Board determines that the additional directorship constitutes a conflict of interest or interferes with such director's ability to carry out his or her responsibilities as a director of the Company, such director, upon the request of the Board, shall either offer his or her resignation or not accept the other directorship.

**II. Board Responsibilities and Operation**

***Basic Responsibility.***

In accordance with the Bylaws and Delaware law, the business and affairs of the Company are carried out by management under the direction of the Board which serves as the ultimate decision-making body of the Company, except for those matters reserved to (or shared with) the stockholders. The basic responsibility of each director is to exercise his or her business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders.

The Board is elected by the stockholders of the Company to oversee management of the Company and to ensure that the long-term interests of the stockholders are being served. The directors shall, as appropriate, take into consideration the interests of other stakeholders, including employees, customers and the members of the communities in which the Company operates.

***Code of Conduct.***

The Board believes that in order to oversee the successful perpetuation of the Company's business, the Board should set policies (the "Code of Conduct") regarding: (A) conflicts of interest; (B) confidentiality; (C) fair dealing; (D) compliance with laws, rules and regulations; and (E) such other matters as the Board deems appropriate. The Code of Conduct is intended to encourage the reporting of unethical or illegal behavior and to ensure that the Company and its employees act in a lawful and ethical manner. Any waivers to the Code of Conduct for directors or executive officers may only be made by the Board or a Board committee, if so delegated, and must be publicly disclosed in a prompt manner as required by applicable SEC and NYSE rules.

***Board Meetings.***

***Schedule and Participation.*** The Board shall hold regular meetings at least four times each year and special meetings as necessary or appropriate. The directors are encouraged to attend all

Board and applicable committee meetings in person and to only participate by telephone if such meetings are designated as telephonic meetings or telephonic participation is necessary due to other circumstances. The directors are expected to devote the time needed and to meet as frequently as necessary to properly discharge their responsibilities as directors.

***Agenda.*** The Chair of the Board, in consultation with the Chief Executive Officer, as appropriate, shall establish the agenda for each Board meeting. Any director may request that a subject be included on the agenda and may raise a subject that is not on the agenda at any meeting.

***Advance Materials.*** Information and materials that are important to the directors' understanding of the business to be conducted at a Board or committee meeting shall, to the extent practical, be distributed sufficiently in advance of each meeting to permit meaningful review. The method of distribution may include, but is not limited to: (A) electronic means such as e-mail; (B) regular mail; (C) fax; (D) courier; (E) overnight mail; or (F) password protected Internet portal. Directors are expected to review such materials prior to the meeting. It is recognized that certain circumstances may cause written materials to be unavailable in advance of a meeting.

***Executive Sessions of Non-Management Directors.***

The non-management directors shall meet (without management present) at regularly scheduled meetings at least four times each year and at such other times as the non-management directors deem necessary or appropriate. Each executive session shall be chaired by one of the non-management directors (typically the Chair of the Board if he or she is a non-management director), as determined prior to or at the beginning of each executive session by the non-management directors. In addition, the independent directors shall meet at least once each year in executive session with only the independent directors present.

***Succession Planning.***

The Board shall annually review and discuss the Company's succession plan for the Chief Executive Officer, including plans for succession in the event of an emergency. The Chief Executive Officer shall annually meet with the Board to discuss his or her recommendations with respect to succession planning for the members of senior management and management development.

***Annual Board Evaluation.***

The Governance and Nominating Committee shall lead the Board in an annual self-evaluation process to determine whether the Board and the Board committees are functioning effectively. The Governance and Nominating Committee shall receive comments from all of the directors, review such comments and report annually to the Board with an assessment of the Board's and each Board committee's performance. The assessment shall focus on the performance and qualifications of the individual directors, the Board's (and each Board committee's) contribution as a whole to the Company and those areas in which the Board, any Board committee and/or individual directors could improve. In reviewing the performance of individual directors,

consideration should be given to each individual's skills and expertise, group dynamics, core competencies, personal characteristics, accomplishment of specific responsibilities, attendance, participation and candor.

### **III. Board Committees**

#### ***Committees.***

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The Board may establish other committees or disband existing committees as it deems necessary or appropriate, subject to the provisions of the Bylaws, rules of the NYSE and the SEC and any other applicable laws, rules and regulations. Each of the committees shall have the authority and responsibilities delineated in the Bylaws, the Board resolutions creating such committee and any applicable charter. The members of each committee shall select a Chair for such committee. When the Chair of a Board committee changes, to the extent that the former Chair continues to serve on the Board, generally such ex-Chair shall continue to serve on the respective committee for at least one year thereafter to allow for an orderly transition.

#### ***Appointment.***

The Board, taking into account the recommendations of the Governance and Nominating Committee, shall appoint the members of each committee. Each member of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee shall meet the independence requirements of the NYSE and the SEC.

#### ***Charters.***

Each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee shall have its own written charter which complies with the applicable rules of the NYSE and any other applicable laws, rules and regulations. Each charter shall at a minimum set forth the purposes and responsibilities of the applicable committee, the qualifications for committee membership, the procedures for committee member appointment and removal, the committee structure, operations and meetings and the committee's reporting obligations to the Board. Each charter shall also require the applicable committee to annually evaluate and review the adequacy of its charter. The Guidelines and each charter shall be posted on the Company's website and shall be available in print to any stockholder of the Company who requests them.

### **IV. Access to Management and Advisors**

#### ***Access to Management.***

Directors shall have full and unrestricted access to management, other employees and the books and records of the Company, provided any such contact does not interfere with the operation of the Company's ordinary business. At the request of the Chair of the Board, members of senior

management may be invited to attend Board meetings to present information concerning the Company's business within their areas of responsibility.

***Access to Advisors.***

The Board and its committees shall have the authority at any time to select, retain, at the Company's expense, and terminate such financial, legal and other advisors as they deem necessary or appropriate to discharge their responsibilities.

**V. Chair of the Board and Chief Executive Officer**

The Company has no fixed rule regarding whether the offices of the Chair of the Board and the Chief Executive Officer should be vested in the same individual or two different individuals. The Board believes that the combination or separation of these offices should continue to be considered as part of the succession planning process.

**VI. Chief Executive Officer Evaluation**

The Compensation Committee shall annually evaluate the Chief Executive Officer's performance and report its conclusions to the Board, in each case as set forth in the charter of the Compensation Committee.

**VII. Stock Ownership Guidelines**

The Company has adopted stock ownership guidelines for its executive officers that are consistent with the Board's desire and expectation that management build a long-term commitment to the Company by acquiring and holding stock. Although compliance is not mandatory, it will be taken into consideration by the Compensation Committee when evaluating future equity-based grants to executive officers. These guidelines call for (A) the President and Chief Executive Officer to hold shares of the Company's common stock with a value equal to at least 1 times his or her annual salary, (B) the Executive Vice Presidents and Chief Merchandising Officer to hold shares of the Company's common stock with a value equal to at least .75 times their annual salary, (C) the Senior Vice Presidents and Vice Presidents-General Merchandising Managers to hold shares of the Company's common stock with a value equal to at least .5 times their annual salary and (D) the Vice Presidents to hold shares of the Company's common stock with a value equal to at least .25 times their annual salary. The Company's executive officers, as of February 21, 2007, the date the stock ownership guidelines were adopted, are encouraged to comply with the guidelines by February 21, 2012. Executive officers joining the Company after February 21, 2007 are encouraged to comply with the guidelines within five years of the date of their initial election as an officer. The Company has also established stock ownership guidelines for non-employee directors. Each director is expected to achieve and maintain stock ownership of 10,000 shares by the fourth anniversary of the date he or she joined the Board.

## **VIII. Director Compensation**

The Governance and Nominating Committee is responsible for reviewing director compensation and making recommendations regarding compensation to the Board. Based on committee recommendations, the Board determines the compensation of the directors on an annual basis. Because the Governance and Nominating Committee believes that director compensation should further align the directors' interests with the long-term interests of the Company's stockholders, a portion of the directors' compensation is in the form of equity awards (stock options and/or restricted stock). Directors also receive cash compensation. Directors who are employees of the Company do not receive compensation for their services as directors.

## **IX. Board Communications**

### ***Disclosure Policy.***

The Board believes that it is imperative that timely and accurate disclosure in compliance with applicable laws, rules and regulations is made on all material matters, including: (A) the Company's financial condition; (B) the Company's financial performance; (C) foreseeable risk factors for the Company; (D) ownership of the Company; and (E) the amount and nature of equity compensation paid to directors and senior management of the Company.

The Company has a responsibility to furnish information that is honest, intelligible, meaningful, timely and broadly disseminated. The Chief Executive Officer and the Chief Financial Officer of the Company, after consultation, as appropriate, with the Company's legal advisors and independent auditors, shall be responsible for the dissemination of such information to the public. A director or senior executive may act to disclose information about the Company if authorized to do so in advance by the Chief Executive Officer or the Chief Financial Officer of the Company or by the Board.

### ***Board's Interaction with Press and Other Third Parties.***

Directors receiving inquiries about the Company should interact with the press and other third parties only in concurrence with the Chief Executive Officer or the Chief Financial Officer of the Company.

## **X. Reconsideration of Stockholder Proposals Receiving a Majority Vote**

If a stockholder proposal that has been properly brought before the stockholders of the Company at an Annual Meeting of Stockholders is supported by a majority of the votes cast at the meeting (exclusive of broker non-votes and abstentions), the Board shall reconsider the stockholder proposal as provided below. Within one-hundred twenty (120) days after the Annual Meeting of Stockholders at which such a vote has occurred, a committee of the Board (the "Reconsideration Committee") shall schedule a meeting (which may be held telephonically) with the proponent of the proposal to obtain additional information to provide to the full Board for its reconsideration of the proposal. The Reconsideration Committee shall consist of one or more independent directors, and may be a standing committee of the Board, if so designated by the full Board. Following the meeting with the proponent, the Reconsideration Committee shall present

the proposal with the Reconsideration Committee's recommendation, and information relevant to the proposal, to the full Board for its reconsideration. In reconsidering the proposal, the Board shall take into account all information and other factors that it deems relevant to such reconsideration, in the exercise of its business judgment, including the interests of the Company's stockholders, taken as a whole.

#### **XI. Director Orientation and Continuing Education**

The Company shall maintain a director orientation program for its new directors to ensure that they are fully informed of their responsibilities as directors. The orientation program shall include familiarizing new directors with the Company's business, its strategic plans, its significant financial, accounting and risk-management issues, its compliance programs (including compliance with SEC reporting obligations and NYSE rules), its Code of Conduct, its members of senior management and its internal audit function and independent auditors. The new directors shall also be introduced to such other members of management and representatives of the Company's outside legal, accounting and other advisors, as is appropriate to familiarize them with the resources available to them.

It is expected that management shall from time to time make presentations to or arrange educational programs for the Board on different aspects of the Company's business, which may include business strategy, risk management, litigation matters, financial reporting, merchandising, merchandise design, inventory planning and distribution, human resources, information technology, store operations, industry trends and developments, corporate governance and any other relevant and appropriate topics. Directors are also encouraged to take advantage of any other available educational opportunities that would further their understanding of the Company's business and enhance their performance on the Board, including programs sponsored by universities, stock exchanges or other organizations or consultants.

These Corporate Governance Guidelines were revised and adopted by the Board of Directors of the Company on April 15, 2009.