

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

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 high standards of corporate governance. The Board shall periodically review and revise 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 By-Laws (the “By-Laws”) and applicable law.

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, and the Board Chair if not a member of the 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 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 and assessing the composition of the overall Board, candidates are considered based on a variety of factors, including (A) relevant experience, (B) specific areas of expertise, including current Board needs and whether they complement the core competencies of the other Board members, (C) the Board's interest in reflecting a diversity of viewpoints, experiences and backgrounds, (D) independence, judgment, strength of character, ethics and integrity, and (E) any required attributes under applicable law.

### ***Voting for Directors***

In accordance with the Company's By-Laws, unless the Secretary of the Company determines, as of a date that is seven (7) days in advance of the date that the Company files its definitive proxy statement (regardless of whether or not it is thereafter revised or supplemented) for such meeting with the Securities and Exchange Commission (the "SEC"), that the number of nominees exceeds the number of directors to be elected, a nominee must receive more votes cast "for" than "against" his or her election or reelection in order to be elected or reelected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for reelection. The Board shall nominate for election or reelection as directors only candidates who agree in writing to tender, promptly following such person's failure to receive the required vote for election or reelection at the next meeting at which such person would face election or reelection, an irrevocable resignation letter that will be effective upon Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree in writing to tender the same form of resignation letter to be tendered by other directors in accordance with these Corporate Governance Guidelines.

If an incumbent director fails to receive the required vote for reelection, then, within 90 days following certification of the stockholder vote, the Governance and Nominating Committee will act to determine whether to accept such director's resignation and will submit such recommendation for prompt consideration by the Board, and the Board will act promptly on the Governance and Nominating Committee's recommendation. The Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether or not to accept a director's resignation.

Except as expressly provided below, any director who tenders his or her resignation pursuant to this provision shall not participate in the Governance and Nominating Committee's recommendation or the Board action regarding whether to accept the tendered resignation.

Thereafter, the Board will promptly disclose its decision-making process and decision regarding whether to accept the director's resignation offer, and the reason(s) for rejecting the resignation offer, if applicable, in a Current Report on Form 8-K furnished to the SEC.

If, in the same election, directors constituting less than a quorum of the members of the Governance and Nominating Committee receive the required vote in favor of their elections, then those independent directors who did receive the required vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept any or all of them. Furthermore, if the only directors who receive the required vote in the same

election constitute three or fewer directors, all directors may participate in the action regarding whether to accept any or all of the tendered resignations.

### ***Independence***

A majority of the directors of the Company shall meet the independence requirements of the New York Stock Exchange (“NYSE”) and the SEC. The Board shall review annually the relationship(s) that each director has with the Company (whether 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 relationships 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 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***

Until changed by the directors or the stockholders of the Company in accordance with the Company’s Restated Certificate of Incorporation (the “Certificate of Incorporation”) and the Company’s By-Laws, 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 function effectively and efficiently.

### ***Term/Age Limits and Evaluation of Directors Reelection***

The Board does not believe it is advisable to establish arbitrary term limits on directors’ service. Term limits could result in the loss of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, and an institutional memory and knowledge that benefits both the Board and management. The Board has a mandatory retirement age under which an independent director shall not serve as a director beyond the end of an elected term during which he or she has reached his or her 76<sup>th</sup> birthday. Notwithstanding the foregoing, the Board shall have the authority to re-nominate a director who has reached his or her 76<sup>th</sup> birthday for another term due to special/extraordinary circumstances, as determined by the Board. As part of its responsibilities and as an alternative to term limits, 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 Public Company Board Service***

(a) Limitations for All Independent Directors

No member of the Board shall simultaneously serve on the boards of directors of more than three (3) public companies in addition to the Board.

(b) Limitations for Each Independent Director Who is also a Chief Executive Officer of a Public Company

An independent director who is a Chief Executive Officer (“CEO”) of a public company shall not sit on the board of directors of more than three (3) public companies as follows: (i) the Company; (ii) the company at which he or she serves as CEO; and (iii) one other public company.

(c) Limitations on Company Officers Serving on Public Company Boards

An officer of the Company may not serve on the board of directors of a public company unless the Company’s Board has reviewed and consented to, in advance, the officer serving on such board of directors.

(d) Notice of Potential Public Company Service

A director or officer shall notify the Chair of the Board in writing prior to becoming a director of a public company in order to avoid potential conflicts of interest and to allow the Board to address whether the aggregate number of directorships held by such director or service on an additional public company board by such officer would interfere with his or her ability to carry out his or her responsibilities as a director or officer of the Company. In the event that the Board determines that the additional directorship constitutes a conflict of interest or otherwise interferes with a 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 (i) offer his or her resignation, (ii) not accept the other directorship, or (iii) agree to such other course of action as the Board deems appropriate under the circumstances.

## **II. Board Responsibilities and Operation**

### ***Basic Responsibility***

In accordance with the By-Laws and Delaware law, the business and affairs of the Company are carried out by management under the direction and oversight of the Board. The Board’s responsibility is to provide that direction and oversight. The Board reviews and approves the strategic direction of the Company and oversees the performance of the Company’s business and management. The management of the Company is responsible for presenting strategic plans to the Board for review and approval and for implementing the Company’s strategic direction. The basic responsibility of each director is to exercise his or her business judgment to act in what each reasonably believes to be the best interests of the Company and its stockholders. The

directors may, as appropriate and as permitted by applicable law, 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 in consultation with senior management 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 of the Code of Conduct for directors or executive officers may only be made by the Board or a Board committee if delegated such responsibility, 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 fiscal year and special meetings as necessary or appropriate. Each director is encouraged to attend all Board and applicable committee meetings in person and to participate by telephone only 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 discharge properly their responsibilities as directors.

**Agenda.** The Chair of the Board, in consultation with the CEO, 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: (i) electronic means such as e-mail; (ii) regular mail; (iii) fax; (iv) courier; (v) overnight mail; or (vi) a password-protected Internet portal. Directors are expected to review such materials prior to the meeting and also be prepared to discuss the subjects covered and issues raised by such materials. The Board recognizes that in certain circumstances materials may be unavailable in advance of a meeting.

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

The non-management directors shall meet in executive session (without management present) at regularly scheduled meetings at least three (3) times each fiscal 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 CEO, including plans for succession in the event of an emergency. The CEO shall annually meet with the Board to discuss his or her recommendations with respect to succession planning and management development for the members of senior management.

### ***Annual Board Evaluation***

The Governance and Nominating Committee or its designee shall lead the Board in an annual self-evaluation process to determine whether the Board and the Board committees are functioning effectively. The self-evaluation process may from time to time include an evaluation of each individual director.

The Governance and Nominating Committee or its designee 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 among other things to each individual's skills and expertise, core competencies, personal characteristics, accomplishment of specific responsibilities, attendance, participation, candor and group dynamics.

### ***Risk Oversight***

The Board, directly and through its committees, has overall responsibility for overseeing the material risks facing the Company. The Board is responsible for monitoring the Company's risk management processes concerning the Company's material risks and evaluating whether management has reasonable controls in place to address the material risks.

## **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 Company's By-Laws, 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 By-Laws, the Board resolutions creating such committee and any applicable committee charter. When the Chair of a Board committee changes, to the extent that the former Chair continues to serve on the Board, generally such former 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 and Chair of each Board committee. Each member of the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee shall meet the applicable 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. Each committee charter shall be posted on the Company's website.

## **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 that* any such contact does not unreasonably interfere with the normal operation of the Company's 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 compensation, financial, legal and other advisors as they deem necessary or appropriate to discharge their responsibilities.

## **V. Board Leadership**

### ***Board Chair/Lead Director***

The Company has no fixed rule regarding whether the offices of the Chair of the Board and the CEO 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 annual CEO evaluation and succession planning processes. The Board further believes that, if the offices were to be held by the same individual, an independent director must be appointed by the Board to serve as Lead Director, with such duties and responsibilities as will be set forth by the Board at the time of such appointment.

### ***Duties of Board Chair***

The Chair of the Board shall preside at all meetings of the stockholders and of the Board as a whole, as well as over executive sessions of the non-management directors and of the independent directors. The Chair of the Board shall also perform such other duties, and exercise such powers, as, from time to time, shall be prescribed in the Company's By-Laws or by the Board.

### **VI. Chief Executive Officer Evaluation**

The Compensation Committee shall annually evaluate the CEO's performance and report its conclusions to the Board, for the Board's review and consideration, as set forth in the charter of the Compensation Committee.

### **VII. Stock Ownership**

#### ***Non-Employee Directors***

The Board has adopted the following stock ownership requirement for non-executive directors: Each non-employee director with three or more years of service is expected to achieve and maintain stock ownership of stock having a value equal to or greater than two (2) times the current annual cash retainer. A non-employee director with less than three (3) years of service is expected to achieve this ownership requirement by the date the director reaches three (3) years of service on the Board.

#### ***Executive Officers***

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 respective annual salary, (B) each Executive Vice President to hold shares of the Company's common stock with a value equal to at least .75 times her or his respective annual salary, (C) each Senior Vice President to hold shares of the Company's common stock with a value equal to at least .5 times her or his respective annual salary and (D) each Vice President to hold shares of the Company's common stock with a value equal to at least .25 times her or his respective annual salary. The Company's executive officers are encouraged to be in compliance with the guidelines within five years of the date of their initial election as an executive officer.

## **VIII. Director Compensation**

The Governance and Nominating Committee is responsible for reviewing director compensation and making recommendations regarding director compensation to the Board. Based on the committee's recommendation, the Board determines the compensation of the directors on an annual basis. Because the Board 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 shall be in the form of equity awards (stock options and/or restricted stock or restricted stock units). Directors also receive cash compensation. Directors who are employees of the Company do not receive compensation for their services as directors. Board and Board Committee members shall not receive compensation from the Company for their services beyond that approved by the Board for service on the Board or on a Board Committee.

## **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. For this reason, the Company has adopted a Corporate Disclosure Policy which outlines the process and individuals responsible for the Company's public disclosures.

### *Board's Interaction with Stockholders*

The Board values the input and insights of the Company's stockholders and believes that effective Board-stockholder engagement and communication strengthens the Board's role as an active, informed and engaged body. As a result, the Board has adopted a Stockholder Engagement Policy that outlines the procedures for the Board's engagement and communication with the Company's stockholders. The goals of the policy are to promote and develop improved and more-in-depth two-way communications between the Company's stockholders and the Board, and to establish and communicate an appropriate structure for such communications.

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

Directors receiving inquiries about the Company from the press and other third parties should refer such inquiries to the CEO or the Board Chair.

## **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 and that was opposed by the Company 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 process for its new directors to ensure that they are fully informed of their responsibilities as directors. The orientation process 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 registered public accountants. 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.

From time to time members of the Board and/or its Committees will be provided information prepared by the Company and/or third party experts on topics to assist them in carrying out their fiduciary duties and to apprise them of corporate governance trends and best practices. In addition, the Corporate Secretary of the Company will, from time to time, provide directors with information on upcoming director education training opportunities. Directors are encouraged to take advantage of 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. The Company will pay the reasonable expenses for any Board member who wishes to attend such sessions, consistent with such guidelines as are approved by the Board or its Governance and Nominating Committee.

## **XII. Confidential Voting**

It is the Company’s policy that all stockholder proxies, ballots and voting materials that identify the vote of a specific stockholder on any matter (but not whether they have voted on the matter)

submitted for a vote of stockholders shall be kept confidential from directors, officers and employees of the Company, except (a) as necessary to comply with applicable legal requirements; (b) as necessary to assert or defend claims for or against the Company; (c) when a stockholder makes a written comment directed to the Company or to any member of the Board or any officer of the Company on the proxy, ballot or voting materials; (d) as requested by a stockholder as to that stockholder; (e) in the case of a contested proxy solicitation or, (f) as to a particular matter, a voting recommendation from a proxy advisory voting firm such as Institutional Shareholder Services or Glass Lewis that differs from the Company's recommendation. It is the Company's policy to retain an independent proxy tabulator to receive and tabulate proxies and an independent inspector of elections to certify voting results.

*These Corporate Governance Guidelines were adopted by the Board of Directors of the Company on November 17, 2016.*