

# CHRISTOPHER & BANKS CORP

## **FORM 8-K/A** (Amended Current report filing)

Filed 02/24/17 for the Period Ending 01/10/17

Address	2400 XENIUM LANE NORTH PLYMOUTH, MN 55441-3626
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Symbol	CBK
SIC Code	5621 - Women's Clothing Stores
Industry	Apparel & Accessories Retailers
Sector	Consumer Cyclical
Fiscal Year	01/28

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K/A**  
(Amendment No. 1)

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 10, 2017

**CHRISTOPHER & BANKS CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-31390**

(Commission File Number)

**06-1195422**

(IRS Employer Identification No.)

**2400 Xenium Lane North**  
**Plymouth, Minnesota 55441**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(763) 551-5000**

**Not Applicable**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## EXPLANATORY NOTE

This Amendment No. 1 amends the Current Report on Form 8-K of Christopher & Banks Corporation (the "Company") originally filed on January 17, 2017 (the "Original Form 8-K"), reporting Joel N. Waller's election as interim President and Chief Executive Officer of the Company (collectively, "CEO") and as a member of the Board of Directors of the Company (the "Board"), effective January 17, 2017. This Amendment No. 1 amends the Original Form 8-K solely to include information regarding the terms of Mr. Waller's employment agreement with the Company and the employment inducement equity awards that were issued effective January 17, 2017 and were described in the Original Form 8-K, and to file such documents as exhibits. Except as otherwise described below in this Amendment No. 1, this filing does not affect the accuracy of the information provided in the Original Form 8-K.

### **5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(c), (e)

On January 17, 2017, in connection with Mr. Waller's election as the Company's interim CEO, the Company and Mr. Waller entered into a binding term sheet. Mr. Waller and the Company have now entered into an employment agreement and two employment inducement equity award agreements that were all made effective as of January 17, 2017. These agreements collectively replace that term sheet.

Pursuant to the terms of the employment agreement, Mr. Waller is entitled to (i) be paid an annual salary of \$600,000; (ii) participate in the employee benefits plans and programs generally applicable to senior executives of the Company; other than any annual or other short-term incentive compensation plan or program; (iii) be entitled to reimbursement for expenses for commuting periodically between Rancho Mirage, California and Plymouth, Minnesota, in an amount not to exceed \$20,000, in the aggregate; and (iv) the employment inducement equity awards described below. In addition, he is subject to customary confidentiality, noncompetition, nonsolicitation and nondisparagement covenants.

Effective January 17, 2017, in connection with Mr. Waller's commencement of employment, the Board granted to Mr. Waller two "employment inducement awards" (as defined in New York Stock Exchange ("NYSE") Rule 303A.08) as follows:

- a grant of a non-qualified stock option to acquire 375,000 shares of the Company's common stock at an exercise price of \$1.42 per share. The option has a five-year term and will vest upon the earlier to occur of: (i) January 17, 2018; (ii) the date on which the Company's permanent Chief Executive Officer has commenced employment; and (iii) the termination of Executive's employment without "Cause" (as defined in the award agreement) due to a "Change in Control" (as defined in the award agreement) of the Company (the "Vesting Period"). The stock options will be exercisable after vesting and following Executive's employment termination (assuming such termination is not for Cause) for the lesser of (i) three-years following Executive's employment termination date and (ii) the remaining term of the option (the "Exercise Period"). In the event of his prior death or "Disability" (as defined in the award agreement) prior to the end of the Vesting Period, Mr. Waller or his estate will be able to exercise, during the Exercise Period, a pro rata portion of options equal to 375,000 multiplied by the number of full monthly periods he was employed prior to his employment termination date and divided by 12; and
- a grant of performance-based restricted common stock which will vest, if at all, in two tranches: one tranche of 100,000 shares will vest if, on any date prior to the "Vesting Date" (as defined below), the Company's common stock has a closing price equal to or greater than \$3.00 per share on the NYSE, and the second tranche of 100,000 shares will vest if, on any date prior to the Vesting Date, the Company's common stock has a closing price equal to or greater than \$4.00 per share on the NYSE. If a threshold is not met, the tranche of shares of restricted stock subject to such threshold will be forfeited. "Vesting Date" means the earlier of the twelve-month anniversary of (i) Employee's last day of service as interim CEO of the Company, due to his death or disability; (ii) Employee's last day of service as interim CEO, due to commencement of employment of a permanent CEO, if Employee is not providing consulting services to the Company under a separate arrangement as of such date; and (iii) if the Employee is providing consulting services to the Company under a separate

arrangement as of the date a permanent CEO commences employment, the last day of consulting services provided by Employee to the Company, such determination to be made by the permanent CEO.

The foregoing summary of the employment agreement, non-qualified stock option and performance-based restricted stock award are qualified in their entirety by reference to the Employment Agreement, Non-Qualified Stock Option Agreement and Performance-Based Restricted Stock Agreement, copies of which are filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K/A and which are hereby incorporated herein by reference.

**9.01 Financial Statements and Exhibits.**

(d) Exhibits.

- 10.1 Employment Agreement made effective as of January 17, 2017, by and between Christopher & Banks Corporation and Joel N. Waller.
- 10.2 Non-Qualified Stock Option Agreement made effective as of January 17, 2017, between Christopher & Banks and Joel N. Waller.
- 10.3 Performance-Based Restricted Stock Agreement made effective as of January 17, 2017, between Christopher & Banks Corporation and Joel N. Waller.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHRISTOPHER & BANKS CORPORATION

Date: February 24, 2017

By: /s/ Luke R. Komarek

Luke R. Komarek

Senior Vice President, General Counsel

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

CHRISTOPHER & BANKS CORPORATION  
EXHIBIT INDEX TO FORM 8-K/A

Date of Report:  
January 10, 2017

Commission File No.:  
001-31390

CHRISTOPHER & BANKS CORPORATION

<b>Exhibit Number</b>	<b>Description</b>
10.1	Employment Agreement made effective as of January 17, 2017, by and between Christopher & Banks Corporation and Joel N. Waller.
10.2	Non-Qualified Stock Option Agreement made effective as of January 17, 2017, between Christopher & Banks Corporation and Joel N. Waller.
10.3	Performance-Based Restricted Stock Agreement made effective as of January 17, 2017, between Christopher & Banks Corporation and Joel N. Waller.

**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (this “Agreement”) is made effective as of January 17, 2017 (the “Effective Date”), by and between Christopher & Banks Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the “Corporation”), and Joel N. Waller (“Executive”).

**RECITALS**

**WHEREAS**, on January 17, 2017, the Corporation and Executive entered into a binding term sheet (the “Term Sheet”) with respect to the employment of Executive as the Corporation’s interim Chief Executive Officer and President; and

**WHEREAS**, the Corporation and Executive desire to replace the Term Sheet in its entirety with this Agreement, and the Stock Option Agreement and Performance-Based Restricted Stock Agreement attached hereto as Exhibits A and B, respectively.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals, the mutual covenants set forth below and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the parties hereto, the Corporation and Executive hereby agree as follows:

**ARTICLE 1  
EMPLOYMENT**

1.1 Commencing as of the Effective Date, the Corporation hereby employs Executive, and Executive agrees to be employed by the Corporation, as its interim President and Chief Executive Officer (collectively, “CEO”). Executive further agrees to perform such duties as are customarily incident to such positions and such other duties which may be assigned to Executive from time to time by the Board of Directors of Corporation.

1.2 In connection with Executive’s employment as interim CEO, the Board of Directors of the Corporation (the “Board”) elected Executive to serve as a director on the Board, effective as of the Effective Date, through the Corporation’s 2017 annual meeting of stockholders (the “2017 Annual Meeting”). In addition, and assuming he is interim CEO at the time, the Board has agreed to nominate Executive for election as a director at the 2017 Annual Meeting; *provided, that*, Executive hereby agrees to resign, and acknowledges that, by signing this Agreement, he has irrevocably so agreed to resign, from all officer and director positions he holds with the Company, effective as of the date that he is no longer serving as interim CEO.

**ARTICLE 2**  
**TERM**

2.1 The term of this Agreement shall be until the earlier to occur of (i) January 17, 2018, or (ii) the date on which the Corporation's permanent CEO commences employment, unless terminated earlier as provided in Article 11. Executive understands and agrees that he is employed at-will by the Corporation.

**ARTICLE 3**  
**COMPENSATION AND BENEFITS**

3.1 Effective as of the Effective Date, the Corporation agrees to pay Executive an annualized salary of \$600,000, less required and authorized deductions and withholdings.

3.2 Effective as of the Effective Date, the Corporation granted to Executive, subject to and in accordance with:

- (a) that certain Stock Option Agreement, between the Corporation and Executive, dated January 17, 2017, and attached hereto as Exhibit A (the "Option Agreement"), a non-qualified stock option to acquire 375,000 shares of its Common Stock, with an exercise price equal to the closing price on the New York Stock Exchange as of the Effective Date, and
- (b) that certain Performance-Based Restricted Stock Agreement, dated January 17, 2017, and attached hereto as Exhibit B (the "Restricted Stock Agreement"), 200,000 shares of its Common Stock as a performance-based restricted stock grant.

3.3 Subject to the terms and conditions of such plans and programs, Executive shall be entitled to participate in the employee benefit plans and programs generally applicable to senior executives of the Corporation, other than any annual or other short-term incentive compensation plan or program.

3.4 Executive maintains a residence in Rancho Mirage, CA, in addition to his Minneapolis, MN residence, and may periodically commute between the Company's Plymouth, Minnesota headquarters and Rancho Mirage, CA. The Corporation hereby agrees that, for a period commencing on the Effective Date and ending no later than the last day of his employment with the Company as interim CEO (the "Reimbursable Period"), upon proper submission to the Corporation of customary documentation evidencing such expenditures by Executive, the Corporation will reimburse Executive for the cost of round-trip airfare for Executive to travel between Rancho Mirage, Ca and Minneapolis, Minnesota, up to an aggregate reimbursement amount not to exceed \$20,000 for the entire Reimbursable Period.

**ARTICLE 4  
DUTIES**

4.1 Executive agrees to devote Executive's full time and effort, to the best of Executive's ability, to carry out the duties of interim CEO for the profit, benefit and advantage of the Corporation. Executive shall report directly to the Board of Directors of the Corporation.

**ARTICLE 5  
COOPERATION**

5.1 During Executive's employment and for one (1) year thereafter, Executive agrees to cooperate fully with the Company, including its attorneys and accountants, in connection with any potential or actual litigation, other real or potential disputes, internal investigations or government investigations, which directly or indirectly involve the Company. Executive agrees to appear as a witness voluntarily upon the Company's request regardless of whether served with a subpoena and be available to attend depositions, court proceedings, consultations or meetings regarding investigations, litigation or potential litigation as requested by the Company. With respect to the Executive's cooperation obligations under this provision, for the one (1) year period following the cessation of Executive's employment with the Corporation, the Company acknowledges that these cooperation obligations, if exercised, will impose on Executive's time and could likely interfere with other commitments Executive may have in the future. Consequently, the Company shall attempt to schedule such depositions, court proceedings, consultations or meetings in coordination with Executive's schedule and to allow Executive to participate telephonically as appropriate but Executive recognizes that scheduling of certain court proceedings, including depositions and trials, may be beyond the Company's control and that for some matters or proceedings Executive's physical presence may be required.

5.2 The Corporation agrees to reimburse Executive for his time incurred under this Article 5 at a rate of \$290.00 per hour for actual time spent preparing for and attending such depositions, consultations or meetings. The Corporation also agrees to reimburse Executive for the out-of-pocket expenditures actually and reasonably incurred by Executive in connection with the performance of services contemplated by this Article 5, including hotel accommodations, coach airfare, transportation and meals consistent with the Corporation's generally applicable expense reimbursement policies at such time.

5.3 It is expressly understood by the parties that (i) any services Executive may provide to Company pursuant to this Article 5 shall not be as an employee and Executive's provision of such services shall not create an employment relationship between Executive and the Company, (ii) any payments to Executive pursuant to this provision are not wages and instead shall be reflected on a federal 1099 tax form, and (iii) the payment or reimbursement of expenses by the Corporation to Executive under this Article 5 shall be in exchange for Executive's time and/or reimbursement for expenses actually incurred and are not intended or understood to be dependent upon the character or content of any information Executive discloses in good faith in any such proceedings, meetings or consultations.

## ARTICLE 6 DEFINITIONS

6.1 “Cause” shall mean (i) any fraud, misappropriation or embezzlement by Executive in connection with or affecting the business of the Company or its affiliates, (ii) any conviction of (including any plea of guilty or no contest to) a felony or a gross misdemeanor by Executive, (iii) any gross neglect or persistent neglect by Executive to perform the duties assigned to Executive or any other act that can be reasonably expected to cause substantial economic or reputational injury to the Company, (iv) any material breach of Sections 4.1, 5.1, or Articles 7 or 8 of this Agreement, or (v) any material violation of the Company’s written policies, procedures or Code of Conduct; *provided further* that, in connection with clauses (iii) – (v), Executive shall first have received a written notice from the Chair of the Board or from the Board, as a whole, that summarizes and reasonably describes the manner in which Executive has grossly or persistently neglected his duties, engaged in an act reasonably expected to cause substantial injury, materially breached Sections 4.1, 5.1, or Articles 7 or 8 of the Agreement, or materially violated a Company policy, procedure or the Code of Conduct (the “Event”). To the extent the Event is capable of being cured, Executive shall have fourteen (14) calendar days from the date notice of the Event is delivered to Executive (via electronic mail, regular mail, in person or otherwise) to cure the same. The Corporation is not required to give written notice of, nor shall Executive have a period to cure the same or any similar failure, which was the subject of an earlier written notice to Executive under this Section 6.1.

6.2 “Company” shall mean the Corporation and/or its majority owned and wholly owned subsidiaries.

6.3 “Confidential Information” means any information (whether in tangible or intangible form) that is not generally known outside the Company, including but not limited to trade secrets, and that is proprietary to the Company, relating to any phase of the Company’s existing or reasonably foreseeable business, including information conceived, discovered or developed by Executive. Confidential Information includes, but is not limited to, business plans; strategic plans and initiatives; financial information, statements and projections; new store plans or locations; payroll and personnel records and information; marketing information, materials and plans; product designs; supplier information; customer information; customer lists; project lists; information relating to pricing and costs; or other information that is designated by the Company as “Confidential” or other similar designation or is treated by the Company as Confidential.

6.4 “Disability” shall mean any physical or mental condition which would qualify Executive for a disability benefit under any long-term disability plan then maintained by the Corporation or the employing subsidiary.

6.5 “Good Reason” means a resignation of employment by Executive within twenty (20) calendar days following the occurrence of any one or more of the following events without the Executive’s written consent: (i) any material diminution in Executive’s position, responsibilities or title; (ii) any diminution in Executive’s base compensation, other than when made on the same or substantially similar basis for all senior executives of the Company by the

Board, or any Committee of the Board, after considering Executive's input, or (iii) the Company's material breach of Articles 1 or 3 of this Agreement, which breach has not been cured as provided below in this Section 6.5.

Executive shall have Good Reason to terminate his employment if (i) within fifteen (15) calendar days following Executive's determination that a Good Reason exists, he notifies the Company (Attention: General Counsel) in writing that he has determined a Good Reason exists and specifies in reasonable detail the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within twenty (20) calendar days. If either condition is not met, Executive shall not have a Good Reason to terminate his employment.

6.6 (a) A "Prohibited Company" means any of the following, companies, to the extent that they are engaged in selling women's specialty apparel : *Ascena Retail Group, Inc.*; *Chicos FAS, Inc.*; *Coldwater Creek, Inc.*; *J. Jill Group Inc.*; *Kohl's Corporation*; *New York & Co., Inc.*; and *The Talbots, Inc.* (b) "Prohibited Company" shall also include: (i) all divisions, subsidiaries, affiliates and successors in interest of the stores or legal entities identified in Section 6.6(a); and (ii) any person, business, or entity where a substantial portion of Executive's duties involve providing advice, consultation, products or services to any of the entities or their affiliates identified in this Section 6.6(a) or (b) (i).

## **ARTICLE 7 NONCOMPETITION, NONSOLICITATION AND NONDISPARAGEMENT**

7.1 During Executive's employment and for a period of one year after the termination of Executive's employment (for any reason): (i) Executive shall not plan, organize or engage in any business competitive with the Company or any product or service marketed or planned for marketing by the Company or assist or work with any other person or entity to do so; (ii) Executive shall not, without the prior written permission of the Corporation's Board of Directors, (x) directly or indirectly engage in activities with a Prohibited Company or (y) own (whether as a shareholder, partner or otherwise, other than as a 3% or less shareholder of a publicly held company) any interest in a Prohibited Company, or (z) act as an officer, director, advisor, consultant, agent or employee or otherwise participate in the management of any Prohibited Company.

7.2 During Executive's employment and for a period of one year after termination of Executive's employment with the Corporation for any reason, under any circumstance, by either party, whether voluntary or involuntary, Executive shall not solicit, entice, encourage, or induce (or attempt to do so, directly or indirectly), any employee of the Company to leave or terminate his or her employment with the Company or to establish a relationship with a Prohibited Company. This Section 7.2 shall apply to the then-current employees of the Company and any individual who was employed by the Company at any time in the forty-five (45) day period immediately prior to Executive's last day of employment with the Company.

7.3 During Executive's employment and for a period of one year after termination of Executive's employment with the Corporation for any reason, under any circumstance, by either

party, whether voluntary or involuntary, Executive shall not solicit, engage, or induce (or attempt to do so, directly or indirectly) any vendor, supplier, sales agent or buying agent of the Company to commence work on behalf of, or to establish a relationship with, a Prohibited Company or to sever or materially alter his/her/its relationship with the Company. The post-termination obligations of this Section 7.4 shall apply to the vendors, suppliers, sales agents and buying agents of the Company as of the date of Executive's termination and at any time in the six-month period immediately prior to Executive's termination date.

7.4 During and after Executive's employment with the Corporation, Executive promises and agrees not to disparage the Company or the Company's officers, directors, employees, products or services.

## **ARTICLE 8 CONFIDENTIAL AND PROPRIETARY INFORMATION, IDEAS, AND PROPERTY**

8.1 Executive promises and agrees to take reasonable measures to maintain and preserve the confidentiality of the Confidential Information.

8.2 Executive promises and agrees not to use or disclose Confidential Information except in the course of performing Executive's duties solely for the benefit of, and on behalf of, the Company.

8.3 Executive promises and agrees not to use, discuss, disclose, divulge, or make available in any way, whether directly or indirectly, Confidential Information to any person or entity not authorized by the Company to receive or use it.

8.4 Employee acknowledges and agrees that all documents, electronic data or files, or other tangible or intangible property (including intellectual property) relating in any way to the business of the Company, including those which are conceived by Executive or come into Executive's possession during Executive's employment, are and shall remain the exclusive property of the Company, and Executive agrees to return all such documents, electronic data and files, and tangible property to the Company upon termination of Executive's employment or at such earlier time as the Company may request of Executive, and Executive further promises and agrees not retain any copies, summaries, or abstracts of such tangible or intangible property.

8.5 The obligations of this Article 8 shall continue after the termination of Executive's employment with the Corporation for any reason, and shall be binding on Executive's assigns, executors, administrators, or other legal representatives.

## **ARTICLE 9 JUDICIAL CONSTRUCTION**

9.1 Executive believes and acknowledges that the provisions contained in this Agreement, including without limitation the provisions contained in Section 5.1 and Articles 7, and 8 of this Agreement, are fair and reasonable and necessary to protect the Company's legitimate interests. Nonetheless, it is agreed that, if a court finds any of these provisions to be

invalid in whole or in part, such finding shall not invalidate any such provision, nor the Agreement, in its entirety, but rather the provision in question shall be construed, blue-lined, reformed, rewritten, and/or equitably modified by the court as if the most restrictive covenants permissible under applicable law were contained herein.

## **ARTICLE 10 RIGHT TO INJUNCTIVE RELIEF**

10.1 Executive acknowledges that a breach or threatened breach by Executive of any of the terms of Section 5.1 or Articles 7 or 8 of this Agreement will render irreparable harm to the Corporation or its related entities. Accordingly, the Corporation shall therefore be entitled to any and all equitable relief, including, but not limited to, temporary and permanent injunctive relief, and to any other remedy that may be available under any applicable law or agreement between the parties, and to recover from Executive all costs of litigation including, but not limited to, attorneys' fees and court costs incurred in enforcing the provisions of Section 5.1 and Articles 7 and 8.

10.2 Executive acknowledges and agrees that, in the event a court determines that a bond is necessary in connection with any grant to the Corporation of injunctive relief, then a fair and reasonable amount for any such bond would be \$5,000.

## **ARTICLE 11 TERMINATION**

11.1 If Executive's employment is involuntarily terminated by the Corporation other than for Cause, or if Executive resigns for Good Reason, in either case, prior to January 17, 2018, the Corporation shall pay through January 17, 2018 the remaining portion of Executive's annualized salary, paid according to the Corporation's normal payroll schedule and subject to applicable withholdings, deductions, and tax reporting requirements, and shall pay through January 17, 2018 the employer portion of any health, dental and other employee benefit program premiums, to the extent Executive is participating in such programs prior to such involuntary termination, or the cash equivalent if the benefit may not be continued after employment with the Company ceases. Such termination pursuant to this Section 11.1 shall not be a breach of this Agreement.

11.2 If Executive's employment is involuntarily terminated by the Corporation for Cause at any time (or Executive voluntarily resigns without Good Reason prior to the date on which the Corporation's permanent CEO commences employment), all compensation and benefits provided to Executive under this Agreement shall immediately cease upon such termination, subject to applicable employment laws and regulations; *provided that*, Executive shall receive any compensation and benefits owed to him as of the date of termination of his employment, pursuant to Article 3 hereof.

11.3 If Executive dies or his employment is terminated due to Disability, all compensation and benefits provided to Executive under this Agreement shall immediately cease upon such termination, subject to applicable employment laws and regulations; *provided*

*that*, Executive or his estate shall receive any compensation and benefits owed to him (including under any applicable long-term disability plan then maintained by the Company) as of the date of termination of his employment, pursuant to Article 3 hereof. Such termination pursuant to this Section 11.3 shall not be a breach of this Agreement.)

11.4 Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, or its delegate, as appropriate, and, subject to the provisions of Section 7, its determination shall be final (the "Termination Determination").

## **ARTICLE 12 ASSIGNMENT**

12.1 Executive consents to and the Corporation shall have the right to assign this Agreement to the Corporation's successors or assigns. Additionally, Executive consents to and the Corporation shall have the right to assign this Agreement to any subsidiary of the Corporation. All covenants or agreements hereunder shall inure to the benefit of and be enforceable by the Corporation's successors or assigns.

12.2 For purposes of Section 12.1 and the possible assignment of this Agreement, the terms "successors" and "assigns" shall include any corporation which buys all or substantially all of the Corporation's assets, or a controlling portion of its stock, or with which it merges or consolidates.

12.3 Executive's rights under this Agreement are personal to Executive and may not be assigned, except with the written consent of the Board.

## **ARTICLE 13 FAILURE TO DEMAND PERFORMANCE AND WAIVER**

13.1 The Corporation's failure at any time to demand strict performance or compliance by Executive either during or after Executive's employment with any part of this Agreement shall not be deemed to be a waiver of the Corporation's rights under this Agreement or by operation of law. The Corporation's rights under this Agreement can only be waived expressly, in writing by the Board. Any express waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

## **ARTICLE 14 ENTIRE AGREEMENT**

14.1 The Corporation and Executive agree that no modifications of this Agreement may be made except by means of a written agreement or memorandum signed by both parties and also acknowledge that this Agreement contains the full and complete agreement between and among them, that there are no oral or implied agreements or other modifications relating to the same subject matter.

**ARTICLE 15  
GOVERNING LAW**

15.1 The parties acknowledge that the Corporation's principal place of business is located in the State of Minnesota. The parties hereby agree that this Agreement shall be construed in accordance with the internal laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of Minnesota.

15.2 Executive and the Company agree to submit to the exclusive jurisdiction of, and venue in, the courts of the State of Minnesota, County of Hennepin, or of the Federal District Court of Minnesota venued in Hennepin County, with respect to any dispute that may arise between them.

**ARTICLE 16  
SURVIVAL**

16.1 The parties agree that Articles 5, 7 and 8 of this Agreement, and those provisions necessary for the enforcement of Articles 5, 7 and 8 of this Agreement, shall survive termination of this Agreement and termination of Executive's employment for any reason.

**ARTICLE 17  
UNDERSTANDINGS**

17.1 Executive hereby acknowledges that (i) this Agreement constitutes good and valuable consideration in exchange for the obligations and agreements undertaken by Executive by this Agreement, including, without limitation, the provisions contained in Articles 7 and 8 of this Agreement and (ii) that Executive has carefully considered the obligations, restrictions, and undertakings contained in this Agreement and, having had the opportunity to confer with counsel of Executive's own choosing, has determined that they are reasonable.

17.2 By signing below, Executive authorizes the Corporation to notify third parties (including, but not limited to, Executive's actual or potential future employers) of Articles 7 and 8 of this Agreement, and those provisions necessary for the enforcement of Articles 7 and 8 of this Agreement, and Executive's responsibilities hereunder.

17.3 Executive represents and warrants to the Corporation that Executive is not under, or currently bound to be under in the future, any obligation to any person or entity that is or would be inconsistent or in conflict with this Agreement or would prevent, limit, or impair in any way the performance by Executive of Executive's obligations hereunder.

17.4 If Executive possesses any information that Executive knows or should know is considered by any third party to be the confidential, trade secret, or otherwise proprietary information of such third party, Executive shall not disclose such information to the Company or use such information in the course of Executive's employment or in any other way to benefit the Company.

**ARTICLE 18**  
**REIMBURSEMENT**

18.1 Upon submission by Executive of customary documentation, in form reasonably satisfactory to the Corporation, the Corporation shall reimburse Executive for fees and expenses of Executive's legal counsel incurred in connection with the negotiation and execution of the Term Sheet, this Agreement and the Exhibits hereto, up to an aggregate amount not to exceed \$5,000.

**ARTICLE 19**  
**MEDIATION**

19.1 If the Board or Committee makes a Termination Determination, then the Company shall provide written notice thereof to Employee (the "Company Termination Notice"). If Employee disagrees with the determination referred to in the Company Termination Notice, then Employee may request that the Company participate in mediation in an effort to resolve the disagreement. Employee shall make such request by submitting to the Company (Attention: General Counsel) and to JAMS (c/o its Minneapolis office or, if none, its Chicago office) (the "Mediation Facilitator"), within ten (10) calendar days of the date of the Company Termination Notice, a written request for mediation (the "Mediation Request"). The parties will cooperate with the Mediation Facilitator and with one another in selecting a mediator from the Mediation Facilitator's panel of neutrals, and in scheduling the mediation proceedings in the Minneapolis, Minnesota area. In the event that the parties are unable to select a mediator within ten (10) calendar days of the date of the Mediation Request, the Mediation Facilitator shall appoint the mediator and the mediation shall be held as soon as practicable thereafter, but no later than twenty-one (21) calendar days after a mediator has been selected or appointed. The Company covenants that it will participate in the mediation in good faith through representation by an appropriate member of its executive management and Employee covenants that he will personally participate in the mediation in good faith. The parties will share equally the costs of the mediation process, including all fees and expenses of the mediator, but shall each be responsible for its or his own expenses of participating in the mediation. In the event the parties are unable to resolve the dispute through mediation, then the Termination Determination shall be final and binding.

IN WITNESS WHEREOF, the Corporation has hereunto signed its name and Executive hereunder has signed Executive's name, all as of the day and year written below.

**CHRISTOPHER & BANKS CORPORATION**

Date: February 22, 2017

By: /s/ Kent A. Kleeberger

Witness: /s/ Luke R. Komarek

Its: Board Chairman

**JOEL N. WALLER**

Date: February 23, 2017

/s/ Joel N. Waller

Witness: /s/ Luke R. Komarek

**STOCK OPTION AGREEMENT**

(Non-Qualified Stock Option)

Name of Employee:	<u>Joel N. Waller</u>
Date of Grant:	<u>January 17, 2017</u>
Number of Shares:	<u>375,000</u>
Exercise Price Per Share:	<u>\$1.42</u>

THIS STOCK OPTION AGREEMENT (this “Agreement”) is made effective after the close of business on the 17<sup>th</sup> day of January, 2017, between Christopher & Banks Corporation, a Delaware corporation (the “Company”), and Joel N. Waller, the newly elected interim President & Chief Executive Officer of the Company (“Employee”), to record the granting of an employment inducement award authorized by the Company’s Board of Directors (the “Board”) pursuant to the New York Stock Exchange Listed Company Manual Rule 303A.08 (the “Board Authorization”).

1. Grant of Option. In accordance with the Board Authorization, the Company hereby grants to Employee, effective as of the date of grant listed above and subject to the terms and conditions of this Agreement, a non-qualified option to purchase from the Company an aggregate of 375,000 shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”), at the purchase price of \$1.42 per share (the “Option”), such Option to be exercisable as hereinafter provided.

2. Expiration Date. This Option shall expire on January 17, 2022, the 5-year anniversary of the date of grant (the “Expiration Date”), unless earlier terminated, in whole or in part, as hereinafter set forth.

3. Vesting of Option. Subject to Section 8 hereof, this Option shall vest and become exercisable upon the earliest to occur of: (i) January 17, 2018; (ii) the date on which the Company’s permanent Chief Executive Officer has commenced employment; and (iii) termination of Employee’s employment without “Cause” (as defined below) due to a “Change-in-Control” of the Company (as defined below).

This Option may be partially exercised from time-to-time. This Option may not be exercised after the Expiration Date. Notwithstanding the foregoing, this Option shall not be exercisable for a fractional share of Common Stock. Any exercise of this Option shall be made in writing, using such form as is approved by the Company, and duly executed and delivered by Employee (or his legal representative, heir or designee) to the Company, and specifying the number of shares as to which the Option is being exercised.

4. Payment of Option Exercise Price. On the date of any exercise of this Option, the purchase price of the shares as to which this Option is being exercised shall be due and payable by Employee (or his legal representative, heir or designee) and shall be made (i) in cash or by cash equivalent acceptable to the Compensation Committee of the Board (the "Committee"); (ii) by delivery of shares of Common Stock held by Employee for more than six (6) months (or such other period as the Committee may deem appropriate, for accounting purposes or otherwise), any such shares so delivered to be deemed to have a value per share equal to the Fair Market Value (as such term is defined in Section 9(d)) of the shares on such date; (iii) through an open-market, broker-assisted sales transaction pursuant to which the Company is promptly delivered the amount of proceeds necessary to satisfy the exercise price; or (iv) if approved by the Committee, by a combination of the methods described above.

5. Option Nontransferable. This Option is not transferable otherwise than to (i) Joel N. Waller, or his successor(s), as Trustee of the Joel N. Waller Revocable Trust U/A dated January 26, 2005, including any amendments thereto (the "Waller Trust"), (ii) by will, or (iii) the laws of descent or distribution and, during Employee's lifetime, is exercisable only by Employee, the trustee of the Waller Trust, or his guardian or legal representative.

6. Rights as a Stockholder. Employee shall have no rights as a stockholder with respect to any of the shares covered by this Option until the date of issuance to Employee of a stock certificate or other evidence of the issuance for such shares, and no adjustment shall be made for any dividends or other rights if the record date of such dividends or other rights is prior to the date such stock certificate or other evidence of the issuance for such shares is issued.

7. General Restrictions. Employee understands that the shares underlying the Option have not been registered with the Securities and Exchange Commission or listed with the New York Stock Exchange. The Company will not be obligated to issue shares of Common Stock covered by this Option if counsel to the Company determines that such issuance would violate any law or regulation of any governmental authority or any agreement between the Company and the New York Stock Exchange or any other national securities exchange upon which the Common Stock is quoted or listed. In connection with any issuance or transfer, the person acquiring the shares shall, if requested by the Company, give assurances satisfactory to counsel to the Company regarding such matters as the Company may deem desirable to assure compliance with all legal requirements. This Option shall be subject to the requirement that if, at any time, the Committee shall determine, in its discretion, that the listing, registration or qualification of the shares subject to this Option on the New York Stock Exchange, any securities exchange or under any state or federal law, or that the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, this Option or the issue or purchase of shares under this Option, this Option shall be subject to the condition that such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

## 8. Termination of Employment.

(a) This Option shall terminate immediately upon the termination of Employee's employment by the Company or any subsidiary for Cause.

(b) If Employee's employment is terminated by Employee or the Company due to Employee's Disability or death, then a *pro rata* portion of this Option shall vest, as follows: for each monthly period ending on or after the 17<sup>th</sup> day of each calendar month after January 2017 and prior to January 17, 2018 (the "Monthly Period"), 1/12<sup>th</sup> of the Option award shall vest. As an example, if termination based on Employee's Disability or death occurred on May 18, 2017, then 1/3 ( *i.e.* , 4/12ths) of the Option would vest; if such termination occurred on May 16, 2017, 1/4<sup>th</sup> ( *i.e.* , 3/12ths) would vest. In addition, in such event, such *pro rata* portion of this Option shall be exercisable by Employee or his legal representative, heir or devisee, as appropriate, after vesting, for the lesser of (i) three years following Employee's termination date and (ii) until the Expiration Date.

(c) If Employee's employment is terminated by Employee for Good Reason or by the Company for any reason other than Cause, Disability or death, this Option may be exercised by Employee or his legal representative, heir or devisee, as appropriate, after vesting, for the lesser of (i) three years following Employee's termination date and (ii) until the Expiration Date.

(d) Notwithstanding anything to the contrary in clauses (b) or (c) of this Section 8, subject to Section 15, the Company may terminate and cancel this Option during the post-termination exercise period referred to in the preceding sentence if the Company's Board of Directors or the Committee has determined that Employee has, before or after the termination of employment, materially breached the terms of any agreement between Employee and the Company, including any employment, confidentiality, or nonsolicit agreement, violated in a material way any Company policy or engaged in any other act that can be reasonably expected to cause substantial economic or reputational injury to the Company, such determination defined as the "Exercise Termination Determination."

(e) This Option (or any portion thereof) which is not exercisable on the date of termination of Employee's employment shall not be exercisable thereafter.

(f) Nothing contained in this Section 8 shall be interpreted or have the effect of extending the period during which this Option may be exercised beyond the Expiration Date provided in this Agreement or established by law or regulation. Death of Employee subsequent to his employment termination shall not extend such period.

## 9. Definitions.

(a) "Cause" shall mean (i) if the Employee is a party to an employment, severance (or similar) agreement with the Company or any employing subsidiary of the Company that defines the word "cause" (or similar term), then Cause for purposes of this Agreement shall have the meaning ascribed to it under that agreement; and (ii) if there is no such agreement

or definition, Cause shall mean (A) any fraud, misappropriation or embezzlement by Employee in connection with or affecting the business of the Company or its affiliates, (B) any conviction of (including any plea of guilty or no contest to) a felony or a gross misdemeanor by Employee, (C) any gross neglect or persistent neglect by Employee to perform the duties assigned to Employee or any other act that can be reasonably expected to cause substantial economic or reputational injury to the Company, or (D) any material violation of the Company's written policies, procedures or codes of conduct by Employee; *provided that*, in connection with clauses (C) and (D), Employee shall first have received a written notice from the Company's General Counsel or the Board that summarizes and reasonably describes the manner in which Employee has grossly or persistently neglected his duties, engaged in an act reasonably expected to cause substantial injury, or materially violated a Company policy, procedure or code of conduct (the "Event") and, to the extent the Event is capable of being cured, Employee shall have fourteen (14) calendar days from the date notice of the Event is delivered to Employee (via electronic mail, regular mail, in person or otherwise) to cure the same, but the Company is not required to give written notice of, nor shall Employee have a period to cure the same or any similar failure, which was the subject of an earlier written notice to Employee under this provision.

(b) "Change-in-Control" shall mean any of the following events:

(i) the occurrence of an acquisition by an individual, entity or group (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of a percentage of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (but excluding (A) any acquisition directly from the Company (other than an acquisition by virtue of the exercise of a conversion privilege of a security that was not acquired directly from the Company), (B) any acquisition by the Company or an Affiliate and (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate) (an "Acquisition") that is thirty percent (30%) or more of the Company's then outstanding voting securities;

(ii) at any time during a period of two (2) consecutive years or less, individuals who, at the beginning of such period, constitute the Board (and any new directors whose election to the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction, whether or not the Company is the surviving company in such transaction, other than a merger, consolidation, or reorganization that would result in the Persons who are beneficial owners of the Company's voting securities outstanding immediately prior thereto continuing to beneficially own, directly or

indirectly, in substantially the same proportions, at least fifty percent (50%) of the combined voting power of the Company's voting securities (or the voting securities of the surviving entity) outstanding immediately after such merger, consolidation or reorganization;

(iv) the sale or other disposition of all or substantially all of the assets of the Company;

(v) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company; or

(vi) the occurrence of any transaction or event, or series of transactions or events, designated by the Board in a duly adopted resolution as representing a change in the effective control of the business and affairs of the Company, effective as of the date specified in any such resolution.

(c) "Disability" shall mean any physical or mental condition which would qualify Employee for a disability benefit under any long-term disability plan then maintained by the Company or the employing subsidiary.

(d) "Fair Market Value" with respect to one share of Common Stock as of any date shall mean (i) if the Common Stock is listed on the New York Stock Exchange or any other established stock exchange, the price of one share of Common Stock at the close of the regular trading session of such market or exchange on such date, as reported by The Wall Street Journal or a comparable reporting service, or, if no sale of shares of Common Stock shall have occurred on such date, on the next preceding date on which there was a sale of shares of Common Stock; (ii) if the Common Stock is not so listed on the New York Stock Exchange or any other established stock exchange, the average of the closing "bid" and "asked" prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes for a share of Common Stock; or (iii) if the Common Stock is not publicly traded as of such date, the per share value of a share of Common Stock, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.

(e) "Good Reason" means a resignation of employment by Employee within twenty (20) calendar days following the occurrence of any one or more of the following events without the Employee's written consent: (i) any material diminution in Employee's position, responsibilities or title; (ii) any diminution in Employee's base compensation, other than when made on the same or substantially similar basis for all senior executives of the Company, as determined by the Board or any duly authorized Committee of the Board, after considering Employee's input, or (iii) the Company's material breach of Articles 1 or 3 of that certain Employment Agreement, by and between Employee and the Company and made

effective as of the date hereof, which breach has not been cured as provided below in this Section 9(e).

Employee shall have Good Reason to terminate his employment if (i) within fifteen (15) calendar days following Executive's determination that a Good Reason exists, he notifies the Company (Attention: General Counsel) in writing that he has determined a Good Reason exists and specifies in reasonable detail the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within twenty (20) calendar days. If either condition is not met, Employee shall not have a Good Reason to terminate his employment.

10. Adjustment of Shares.

(a) In the event there is any recapitalization in the form of a stock dividend, distribution, split, subdivision or combination of shares of Common Stock of the Company, resulting in an increase or decrease in the number of shares of Common Stock outstanding, the number of shares of Common Stock covered by this Option and the exercise price per share under this Option shall be increased or decreased proportionately, as the case may be, without change in the aggregate exercise price.

(b) If, pursuant to any reorganization, sale or exchange of assets, consolidation or merger, outstanding Common Stock of the Company is or would be exchanged for other securities of the Company or of another corporation which is a party to such transaction, or for property, this Option shall apply to the securities or property into which the Common Stock covered hereby would have been changed or for which such Common Stock would have been exchanged had such Common Stock been outstanding at the time.

11. Income Tax Matters. In order to comply with all applicable federal, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Employee, are withheld or collected from Employee. In accordance with such rules as may be adopted by the Committee, Employee may elect to satisfy Employee's tax withholding obligations arising from the exercise of the Option by (i) delivering cash, a check (bank check, certified check or personal check) or a money order payable to the Company on or before the Option exercise date, (ii) having the Company withhold a portion of the shares of Common Stock otherwise to be delivered upon exercise of the Option having a Fair Market Value equal to the amount of such taxes, (iii) delivering to the Company on or before the Option exercise date shares of Common Stock held by Employee for more than six (6) months (or such other period as the Committee may deem appropriate for accounting purposes or otherwise) having a Fair Market Value equal to the amount of such taxes, or (iv) if approved by the Committee, a combination of the methods described above. If the number of shares of Common Stock to be delivered to Employee is not a whole number, then the number of shares of Common Stock shall be rounded down to the nearest whole number. Employee's election regarding satisfaction of withholding obligations is to be made on or before the Option exercise date.

12. Employment Relationship. Nothing in this Agreement shall be construed as constituting a commitment, guaranty, agreement, or understanding of any kind or nature that the Company or its subsidiaries shall continue to employ Employee, and this Agreement shall not affect in any way the right of the Company or any of its subsidiaries to terminate the employment of Employee. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of the Company, any successor corporation or a parent or subsidiary corporation of the Company or any successor corporation. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, or its delegate, as appropriate, and, subject to the provisions of Section 15, its determination shall be final (the "Termination Determination").

13. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all lawful successors to Employee.

14. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without reference to the principles of conflicts of laws.

15. Mediation. If the Board or Committee makes an Exercise Termination Determination or a Termination Determination, then the Company shall provide written notice thereof to Employee (the "Termination Notice"). If Employee disagrees with the determination referred to in the Termination Notice, then Employee may request that the Company participate in mediation in an effort to resolve the disagreement. Employee shall make such request by submitting to the Company (Attention: General Counsel) and to JAMS (c/o its Minneapolis office or, if none, its Chicago office) (the "Mediation Facilitator"), within ten (10) calendar days of the date of the Termination Notice, a written request for mediation (the "Mediation Request"). The parties will cooperate with the Mediation Facilitator and with one another in selecting a mediator from the Mediation Facilitator's panel of neutrals, and in scheduling the mediation proceedings in the Minneapolis, Minnesota area. In the event that the parties are unable to select a mediator within ten (10) calendar days of the date of the Mediation Request, the Mediation Facilitator shall appoint the mediator and the mediation shall be held as soon as practicable thereafter, but no later than twenty-one (21) calendar days after a mediator has been selected or appointed. The Company covenants that it will participate in the mediation in good faith through representation by an appropriate member of its executive management and Employee covenants that he will personally participate in the mediation in good faith. The parties will share equally the costs of the mediation process, including all fees and expenses of the mediator, but shall each be responsible for its or his own expenses of participating in the mediation. In the event the parties are unable to resolve the dispute through mediation, then the Exercise Termination Determination and/or the Termination Determination shall be final and binding.

[ REMAINDER OF PAGE INTENTIONALLY OMITTED; SIGNATURE PAGE FOLLOWS ]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all effective as of the date first above written.

**CHRISTOPHER & BANKS CORPORATION**

By: /s/ Luke R. Komarek  
Luke R. Komarek

Title: Senior Vice President & General Counsel

**EMPLOYEE**

Signed: /s/ Joel N. Waller  
Joel N. Waller

**PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT**

THIS **PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT** (this “Agreement”) is made effective as of the 17<sup>th</sup> day of January, 2017 (the “Effective Date”), between Christopher & Banks Corporation, a Delaware corporation (the “Company”), and Joel N. Waller (“Employee”) to record the granting of an employment inducement award authorized by the Company’s Board of Directors (the “Board”) pursuant to the New York Stock Exchange Listed Company Manual Rule 303A.08 (the “Board Authorization”).

1. Award.

(a) Shares. In accordance with the Board Authorization, the Company hereby grants, as of the Effective Date, 200,000 shares (the “Restricted Shares”) of the Company’s common stock, par value \$0.01 per share (“Common Stock”), in two equal tranches of 100,000 shares each, as hereinafter provided, in Employee’s name, subject to certain restrictions thereon.

(b) Issuance of Restricted Shares. The Restricted Shares shall be issued to Employee in book-entry form, with appropriate legends regarding the Forfeiture Restrictions (as defined in Section 2 (a)), effective as of the Effective Date, upon execution hereof by Employee and upon satisfaction of the conditions of this Agreement.

2. Restrictions. Employee hereby accepts the Restricted Shares when issued and agrees with respect thereto as follows:

(a) Forfeiture Restrictions. Unless or until the performance criteria described in Exhibit A to this Agreement are met, the Restricted Shares may not be sold, assigned, pledged, exchanged, hypothecated or otherwise transferred, encumbered or disposed of. Employee shall, for no consideration, immediately forfeit to the Company all Restricted Shares subject to the Forfeiture Restrictions (as hereinafter defined) that do not vest in accordance with this Agreement, including Exhibit A. The prohibition against transfer and the obligation to forfeit and surrender Restricted Shares to the Company upon failure to meet the performance criteria in Exhibit A are herein referred to as the “Forfeiture Restrictions”.

(b) Lapse of Forfeiture Restrictions. The Forfeiture Restrictions shall lapse as to the Restricted Shares in accordance with, and to the extent provided in, Exhibit A.

Notwithstanding the other provisions of this Agreement, the Forfeiture Restrictions shall lapse as to all of the Restricted Shares on the occurrence, prior to the Vesting Date (as defined in Exhibit A), of a Change in Control (as such term is defined in Section 8 below).

In the event Employee is terminated for Cause (as defined in Section 8 below) prior to the lapsing of the Forfeiture Restrictions, the Restricted Shares shall be immediately forfeited.

Upon the lapse of the Forfeiture Restrictions without forfeiture, and following payment of the applicable withholding taxes pursuant to Section 3 hereof, the Company shall cause the restrictions and/or legend described above to be removed from the shares upon which Forfeiture Restrictions lapsed (less any shares withheld to pay taxes), and shall cause to be delivered such shares to Employee, by book-entry registration.

Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock (whether subject to restrictions or unrestricted) may be postponed for such period as may be required to comply with applicable requirements of any national securities exchange or any requirements under any law. The Company shall not be obligated to deliver any shares of Common Stock if the delivery thereof shall constitute a violation of any provision of any law or of any regulation of any governmental authority or any national securities exchange. In addition, the grant of the Restricted Shares and the delivery of any shares of Common Stock following the lapse of the Forfeiture Restrictions pursuant to this Agreement are subject to the Company's Recoupment Policy adopted November 11, 2015.

Employee shall not be entitled to vote the Restricted Shares prior to vesting. Subject to the following sentence, the Company shall accrue, for the benefit of Employee, all dividends paid on shares of Common Stock with respect to the shares of Restricted Stock, which accrued amount will be paid to Employee on the date that Forfeiture Restrictions lapse with respect to the shares of Common Stock, if any, that vest pursuant to this Agreement. All dividends accumulated with respect to forfeited Restricted Shares shall be irrevocably forfeited.

(c) Assignment of Restricted Shares. Employee may assign the Restricted Shares to Joel N. Waller, or his successor(s), as Trustee of the Joel N. Waller Revocable Trust U/A dated January 26, 2005, including amendments thereto (the "Waller Trust"); *provided that*, no later than the effective date of such transfer, the Trustee of the Waller Trust delivers a certificate, signed by the Trustee, to the Company (Attention: General Counsel) acknowledging and agreeing that the Waller Trust is subject to all of the terms and conditions of this Agreement to the same extent as if it were Employee.

3. Income Tax Matters. In order to comply with all applicable federal, state or local income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state or local payroll, withholding, income or other taxes, which are the sole and absolute responsibility of Employee, are withheld or collected from Employee. In accordance with such rules as may be adopted by the Committee, Employee may elect to satisfy Employee's tax withholding obligations arising from the receipt of, or the lapse of Forfeiture Restrictions relating to, the Restricted Shares, by (i) delivering cash, a check (bank check, certified check or personal check) or a money order payable to the Company, (ii) having the Company withhold a portion of the Vested Restricted Shares (as defined in Exhibit A) otherwise to be delivered having a Fair Market Value (as defined below) equal to the amount of such taxes, (iii) delivering to the Company shares of Common Stock held by Employee for more than six (6) months (or such period as the Committee may deem appropriate for accounting purposes or otherwise) having a Fair Market Value equal to the amount of such taxes, or (iv) if approved by the Committee, a combination of the methods described above. If the number of shares of Common Stock to be delivered to

Employee is not a whole number, then the number of shares of Common Stock shall be rounded down to the nearest whole number. Employee's election regarding satisfaction of withholding obligations is to be made on or before the date that the amount of tax to be withheld is determined.

4. Employment Relationship. Nothing in this Agreement shall be construed as constituting a commitment, guaranty, agreement, or understanding of any kind or nature that the Company or its subsidiaries shall continue to employ Employee, and this Agreement shall not affect in any way the right of the Company or any of its subsidiaries to terminate the employment of the Employee. For purposes of this Agreement, Employee shall be considered to be in the employment of the Company as long as Employee remains an employee of the Company, any successor corporation or a parent or subsidiary corporation of the Company or any successor corporation. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee, or its delegate, as appropriate, and, subject to the provisions of Section 7, its determination shall be final (the "Termination Determination").

5. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all lawful successors to Employee.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without reference to the principles of conflicts of laws.

7. Mediation. If the Board or Committee makes a Termination Determination, then the Company shall provide written notice thereof to Employee (the "Termination Notice"). If Employee disagrees with the determination referred to in the Termination Notice, then Employee may request that the Company participate in mediation in an effort to resolve the disagreement. Employee shall make such request by submitting to the Company (Attention: General Counsel) and to JAMS (c/o its Minneapolis office or, if none, its Chicago office) (the "Mediation Facilitator"), within ten (10) calendar days of the date of the Termination Notice, a written request for mediation (the "Mediation Request"). The parties will cooperate with the Mediation Facilitator and with one another in selecting a mediator from the Mediation Facilitator's panel of neutrals, and in scheduling the mediation proceedings in the Minneapolis, Minnesota area. In the event that the parties are unable to select a mediator within ten (10) calendar days of the date of the Mediation Request, the Mediation Facilitator shall appoint the mediator and the mediation shall be held as soon as practicable thereafter, but no later than twenty-one (21) calendar days after a mediator has been selected or appointed. The Company covenants that it will participate in the mediation in good faith through representation by an appropriate member of its executive management and Employee covenants that he will personally participate in the mediation in good faith. The parties will share equally the costs of the mediation process, including all fees and expenses of the mediator, but shall each be responsible for its or his own expenses of participating in the mediation. In the event the parties are unable to resolve the dispute through mediation, then the Termination Determination shall be final and binding.

## 8. Definitions.

(a) “Cause” shall mean (i) if the Employee is a party to an employment, severance (or similar) agreement with the Company or any employing subsidiary of the Company that defines the word “cause” (or similar term), then Cause for purposes of this Agreement shall have the meaning ascribed to it under that agreement; and (ii) if there is no such agreement or definition, Cause shall mean (A) any fraud, misappropriation or embezzlement by Employee in connection with or affecting the business of the Company or its affiliates, (B) any conviction of (including any plea of guilty or no contest to) a felony or a gross misdemeanor by Employee, (C) any gross neglect or persistent neglect by Employee to perform the duties assigned to Employee or any other act that can be reasonably expected to cause substantial economic or reputational injury to the Company, or (D) any material violation of the Company’s written policies, procedures or codes of conduct by Employee; provided that, in connection with clauses (C) and (D), Employee shall first have received a written notice from the Company’s General Counsel or the Board that summarizes and reasonably describes the manner in which Employee has grossly or persistently neglected his duties, engaged in an act reasonably expected to cause substantial injury, or materially violated a Company policy, procedure or code of conduct (the “Event”) and, to the extent the Event is capable of being cured, Employee shall have fourteen (14) calendar days from the date notice of the Event is delivered to Employee (via electronic mail, regular mail, in person or otherwise) to cure the same, but the Company is not required to give written notice of, nor shall Employee have a period to cure the same or any similar failure, which was the subject of an earlier written notice to Employee under this provision.

(b) “Change-in-Control” shall mean any of the following events:

(i) the occurrence of an acquisition by an individual, entity or group (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of a percentage of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (but excluding (A) any acquisition directly from the Company (other than an acquisition by virtue of the exercise of a conversion privilege of a security that was not acquired directly from the Company), (B) any acquisition by the Company or an Affiliate and (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate) (an “Acquisition”) that is thirty percent (30%) or more of the Company’s then outstanding voting securities;

(ii) at any time during a period of two (2) consecutive years or less, individuals who at the beginning of such period constitute the Board (and any new directors whose election to the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was so approved) cease for any reason (except for death, disability or voluntary retirement) to constitute a majority thereof;

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction, whether or not the Company is the surviving company in such

transaction, other than a merger, consolidation, or reorganization that would result in the Persons who are beneficial owners of the Company's voting securities outstanding immediately prior thereto continuing to beneficially own, directly or indirectly, in substantially the same proportions, at least fifty percent (50%) of the combined voting power of the Company's voting securities (or the voting securities of the surviving entity) outstanding immediately after such merger, consolidation or reorganization;

(iv) the sale or other disposition of all or substantially all of the assets of the Company;

(v) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company; or

(vi) the occurrence of any transaction or event, or series of transactions or events, designated by the Board in a duly adopted resolution as representing a change in the effective control of the business and affairs of the Company, effective as of the date specified in any such resolution.

(c) "Fair Market Value" with respect to one share of Common Stock as of any date shall mean (i) if the Common Stock is listed on the New York Stock Exchange or any other established stock exchange, the price of one share of Common Stock at the close of the regular trading session of such market or exchange on such date, as reported by The Wall Street Journal or a comparable reporting service, or, if no sale of shares of Common Stock shall have occurred on such date, on the next preceding date on which there was a sale of shares of Common Stock; (ii) if the Common Stock is not so listed on the New York Stock Exchange or any other established stock exchange, the average of the closing "bid" and "asked" prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted "bid" and "asked" prices on such date, on the next preceding date for which there are such quotes for a share of Common Stock; or (iii) if the Common Stock is not publicly traded as of such date, the per share value of a share of Common Stock, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.

*[ REMAINDER OF PAGE INTENTIONALLY OMITTED; SIGNATURE PAGE FOLLOWS ]*

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized, and Employee has executed this Agreement, all effective as of the date first above written.

CHRISTOPHER & BANKS CORPORATION

By: /s/ Luke R. Komarek  
Luke R. Komarek

Title: Senior Vice President & General Counsel

Date: February 23, 2017

EMPLOYEE

Signed: /s/ Joel N. Waller  
Joel N. Waller

Date: February 23, 2017

## EXHIBIT A

### Performance Vesting

This Exhibit A to the Restricted Stock Agreement, effective January 17, 2017 (the “Agreement”), contains the performance criteria for the Forfeiture Restrictions to lapse with respect to the Restricted Shares. Capitalized terms used but not defined herein shall have the same meanings assigned to them in the Agreement.

#### **Lapse of Forfeiture Restrictions**

Except as otherwise provided in the Agreement, the Forfeiture Restrictions will lapse with respect to the Restricted Shares as follows:

1. with respect to the first tranche of 100,000 Restricted Shares, if, on or prior to the Vesting Date (as defined below), the closing stock price of one share of the Company’s Common Stock, as reported on the New York Stock Exchange (“NYSE”) on any Trading Day, is equal to or greater than \$3.00, and
2. with respect to the second tranche of 100,000 Restricted Shares, if, on or prior to the Vesting Date, the closing stock price of one share of the Company’s Common Stock on any Trading Day, as reported on the NYSE, is equal to or greater than \$4.00.

As used herein, “Trading Day” means a day on which the NYSE is generally open for trading and trading in the Common Stock of the Company has not been suspended for any reason.

The Restricted Shares for which the Forfeiture Restrictions have lapsed in accordance with the performance criteria described above shall be referred to in the Agreement as the “Vested Restricted Shares”.

The “Vesting Date” means the earlier of the twelve-month anniversary of (i) Employee’s last day of service as interim CEO of the Company due to his death or disability; (ii) Employee’s last day of service as interim CEO due to the commencement of employment of a permanent CEO, if Employee is not providing consulting services to the Company under a separate arrangement as of such date; and (iii) if the Employee is providing consulting services to the Company under a separate arrangement as of the date a permanent CEO commences employment, the last day of consulting services provided by Employee to the Company, such determination to be made by the permanent CEO.

Please Check the Appropriate Item (One of the lines must be checked):

I do not desire the alternative tax treatment provided for in the Internal Revenue Code Section 83(b).

I do desire the alternative tax treatment provided for in Internal Revenue Code Section 83(b) and desire that forms for such purpose be forwarded to me.

*\* I acknowledge that the Company has urged me to consult with a tax consultant or advisor of my choice before the above block is checked.*

Please furnish the following information for stockholder records:

\_\_\_\_\_  
(Given name and middle initial must be used for stock registry)

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Address (Street)

\_\_\_\_\_  
Birth Date

\_\_\_\_\_  
Month/Day/Year

\_\_\_\_\_  
Address (City)

\_\_\_\_\_  
Day phone number

\_\_\_\_\_  
Address (Zip Code)

United States Citizen: Yes \_\_\_ No \_\_\_

PROMPTLY NOTIFY THIS OFFICE OF ANY CHANGE IN ADDRESS.