

CHRISTOPHER & BANKS CORP
Form DEF 14A
June 12, 2009

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Christopher & Banks Corporation

(Name of Registrant as Specified In Its Charter)

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Christopher & Banks Corporation

2400 Xenium Lane North
Plymouth, Minnesota 55441

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held July 29, 2009

TO OUR STOCKHOLDERS:

You are cordially invited to attend the Annual Meeting of Stockholders of Christopher & Banks Corporation, which will be held on Wednesday, July 29, 2009 at the offices of our outside counsel, Dorsey & Whitney LLP, at 50 South Sixth Street, Suite 1500, Minneapolis, Minnesota. The meeting will convene at 3:00 p.m. local time for the following purposes:

1. To elect two Class III directors as nominated by our Board of Directors to each serve a three-year term;
2. To approve the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan;
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 27, 2010;
4. To consider a stockholder proposal requesting that our Board of Directors take the necessary steps to declassify the Board of Directors; and
5. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. Our Board of Directors has fixed the close of business on June 5, 2009 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting and at any adjournments or postponements thereof.

This year we are using a new Securities and Exchange Commission rule to furnish our proxy statement, 2009 Annual Report to Stockholders and proxy over the Internet to stockholders. This means that most stockholders will not receive paper copies of these documents as in prior years. Instead, these stockholders will receive only a Notice of Internet Availability of Proxy Materials ("Notice") containing instructions on how to access the proxy materials over the Internet and vote online or by telephone. If you received only the Notice and would like to receive a copy of the printed proxy materials, the Notice contains instructions on how you can request copies of these documents.

We hope you will be able to attend the meeting. However, even if you plan to attend in person, please vote your shares promptly to ensure that they are represented at the meeting. You may submit your proxy vote by Internet or by telephone as described in the following materials or, if you received a copy of the printed proxy materials, by completing and signing the enclosed proxy card and returning it in the envelope provided. If your shares are held in the name of a broker, trust, bank or other nominee, you will need proof of ownership to be admitted to the meeting, as described under "How can I attend the Annual Meeting?" on page 5 of the proxy statement.

By Order of the Board of Directors

Luke R. Komarek
Secretary

Approximate Date of Mailing
of Proxy Material
June 16, 2009

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**PROXY STATEMENT
FOR THE
2009 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JULY 29, 2009**

The Board of Directors (the "Board") of Christopher & Banks Corporation (the "Company", "we", "us" and "Christopher & Banks") is soliciting proxies for use at the Christopher & Banks Corporation 2009 Annual Meeting of Stockholders to be held at 3:00 p.m. local time on Wednesday, July 29, 2009, and at any adjournment of the meeting. The meeting will be held at the offices of our outside counsel, Dorsey & Whitney LLP, at 50 South Sixth Street, Suite 1500, Minneapolis, Minnesota. The proxies are being solicited for the following purposes:

1. To elect two Class III directors as nominated by our Board of Directors to each serve a three-year term;
2. To approve the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan;
3. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 27, 2010;
4. To consider a stockholder proposal requesting that our Board of Directors take the necessary steps to declassify the Board of Directors; and
5. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

The proxy materials are first being mailed or made available to our stockholders on or about June 16, 2009.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Who is entitled to vote at the Annual Meeting?

Holders of Christopher & Banks Common Stock, par value \$0.01 per share (the "Common Stock"), at the close of business on June 5, 2009, the record date for the Annual Meeting, are entitled to vote at our Annual Meeting. As of June 5, 2009, 35,460,587 shares of Common Stock were outstanding.

What are my voting rights?

Holders of our Common Stock are entitled to one vote per share. Therefore, a total of 35,460,587 votes are entitled to be cast at the Annual Meeting for each proposal. There is no cumulative voting.

How many shares must be present to hold the Annual Meeting?

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In accordance with our by-laws, shares equal to a majority of the voting power of the outstanding shares of Common Stock entitled to vote as of the record date must be present at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the Annual Meeting if:

you are present and vote in person at the Annual Meeting; or

you have properly and timely submitted your vote as described below under "How do I vote?".

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If a quorum is not present or represented at the Annual Meeting, the stockholders and proxies entitled to vote will have the power to adjourn the Annual Meeting, without notice other than an announcement at that time, until a quorum is present or represented.

What is a proxy?

It is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote." Three of our executive officers have been designated as proxies for our 2009 Annual Meeting. These executive officers are Lorna E. Nagler, Michael J. Lyftogt and Luke R. Komarek.

What is a proxy statement?

It is a document that we are required to give you, in accordance with regulations of the Securities and Exchange Commission, when we ask you to designate proxies to vote your shares of our Common Stock at an Annual Meeting of our stockholders. The proxy statement includes information regarding the matters to be acted upon at the Annual Meeting and certain other information required by the regulations of the Securities and Exchange Commission and the rules of the New York Stock Exchange.

What is the difference between a stockholder of record and a "street name" holder?

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In that case, your shares are said to be held in "street name". Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described below under "*How do I vote my shares?*".

How do I vote my shares?

Shares Held by Stockholders of Record

If you are a stockholder of record, you can submit a proxy to be voted at the Annual Meeting by completing, signing and mailing the enclosed proxy card. Please return your signed proxy card promptly to ensure we receive it before the Annual Meeting.

Shares Held in "Street Name"

If you hold your shares in street name, your shares may be voted before the Annual Meeting using any of the following methods and your shares will be voted as you have instructed:

By Internet. The Notice Regarding the Availability of Proxy Materials indicates the website you may access for Internet voting using the 12-digit control number in the notice. The Internet voting website has easy to follow instructions and allows you to confirm that the system has properly recorded your votes.

By Telephone. In order to vote your shares by telephone, please go to www.proxyvote.com and log in using the 12-digit control number provided on your Notice Regarding the Availability of Proxy Materials. You will be provided with a telephone number for voting at that site. When you vote by telephone, you will be required to enter your 12-digit control number, so please have it available when you call. As with Internet voting, you will be able to confirm that the system has properly recorded your votes.

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By Mail. If you receive paper copies of the proxy materials by mail, you can vote by completing and mailing the voting instruction form provided by your bank, broker, trustee or holder of record.

Your vote is important, and we encourage you to vote promptly. Internet and telephone voting is available through 11:59 p.m. Eastern Time on Tuesday, July 28, 2009, for all shares entitled to vote.

If you hold shares in street name, submitting your proxy will not affect your right to vote in person if you decide to attend the Annual Meeting. See "*Can I vote my shares in person at the Annual Meeting?*" below.

What does it mean if I receive more than one proxy card or notice?

If you receive more than one proxy card or Notice of Internet Availability of Proxy Materials it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, you will need to be sure to vote once for each account.

Can I vote my shares in person at the Annual Meeting?

If you are a stockholder of record, you may vote your shares in person at the Annual Meeting by completing a ballot at the Annual Meeting. Even if you currently plan to attend the Annual Meeting, we recommend that you also submit your proxy as described above in advance of the Annual Meeting so your vote will be counted if you later decide not to attend the Annual Meeting. If you submit your vote by proxy and later decide to vote in person at the Annual Meeting, the vote you submit at the Annual Meeting will override your proxy vote.

If you are a street name holder, you may vote your shares in person at the Annual Meeting only if you obtain and bring to the Annual Meeting a signed letter or other form of proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the Annual Meeting.

How does the Board recommend that I vote?

The Board recommends a vote:

FOR each of the two nominees to serve as a Class III director;

FOR the approval of the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan;

FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 27, 2010; and

AGAINST the stockholder proposal.

We are not aware of any other matters that will be voted on at the Annual Meeting. However, if any other business properly comes before the meeting, the persons named as proxies for stockholders will vote on those matters in a manner they consider appropriate.

What if I do not specify how I want my shares voted?

If you submit a signed proxy card or submit your proxy by Internet or telephone and do not specify how you want to vote your shares, we will vote your shares:

FOR each of the two nominees to serve as a Class III director;

FOR the approval of the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan;

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FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending February 27, 2010; and

AGAINST the stockholder proposal.

Your vote is very important. We urge you to vote, or to instruct your broker, bank, trust or other nominee how to vote, on all matters before the Annual Meeting.

Note: If you are a street name holder and fail to instruct the stockholder of record how you want to vote your shares on a particular matter, those shares are considered to be "uninstructed." New York Stock Exchange rules determine the circumstances under which member brokers of the New York Stock Exchange may exercise discretion to vote "uninstructed" shares held by them on behalf of their clients who are street name holders. With respect to the proposals to elect directors and ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, the rules permit member brokers to exercise voting discretion as to the uninstructed shares. The rules do not permit member brokers to exercise discretion on the proposals to approve the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan or the stockholder proposal. If the broker, bank or other nominee is not permitted to exercise discretion, the uninstructed shares will be referred to as a "broker non-vote." For more information regarding the effect of broker non-votes on the outcome of the vote, see below under "*How are votes counted?*".

How do I revoke my proxy?

You may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy and change your vote by:

submitting a later-dated proxy card to our Corporate Secretary to the Company's address listed above, which must be received by us before the time of the Annual Meeting;

by sending a written notice of revocation to our Corporate Secretary to the Company's address listed above, which must be received by us before the time of the Annual Meeting; or

by voting in person at the Annual Meeting.

If you voted through the Internet or by telephone, you may vote again over the Internet or by telephone up until 11:59 p.m. Eastern Time on Tuesday, July 28, 2009.

What vote is required to approve each item of business included in the notice of Annual Meeting?

The election of the Class III directors shall be determined by the affirmative vote of a plurality of the votes cast at the Annual Meeting. This means that since stockholders will be electing two directors, the two director nominees receiving the highest number of votes will be elected. The affirmative vote of the holders of a majority of the votes cast at the Annual Meeting by the stockholders present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan, to ratify the selection of our independent registered public accounting firm and to approve the stockholder proposal.

How are votes counted?

You may either vote "FOR" or "WITHHOLD" authority to vote for each director nominee. You may vote "FOR", "AGAINST" or "ABSTAIN" on each of the other proposals. If you properly submit your proxy, but withhold authority to vote for one or more director nominees or abstain from voting on one or more of the other proposals, your shares will be counted as present at the Annual Meeting for the purpose of determining a quorum and for the purpose of calculating the vote on the particular matter(s) with respect to which you abstained from voting or

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withheld authority to vote. If you do not submit your proxy or voting instructions and also do not vote at the Annual Meeting, your shares will not be counted as present at the Annual Meeting for the purpose of determining a quorum unless you

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hold your shares in street name and the broker, bank, trust or other nominee has discretion to vote your shares and does so. For more information regarding discretionary voting, see the information above under *"What if I do not specify how I want my shares voted but sign the proxy card?"*.

If you withhold authority to vote for one or more of the director nominees or you do not vote your shares on this matter, this will have no effect on the outcome of the vote. With respect to the proposals to approve the Christopher & Banks Corporation 2009 Qualified Annual Incentive Plan, to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm and to approve the stockholder proposal, if you abstain from voting this will have the same effect as a vote against the proposal, but if you do not vote your shares (or, for shares held in street name, if you do not submit voting instructions and your broker, bank, trust or other nominee does not vote your shares), this will have no effect on the outcome of the vote.

Will my vote be kept confidential?

We have procedures to ensure that the voting tabulations are performed by an independent third party.

How can I attend the Annual Meeting?

All of our stockholders are invited to attend the Annual Meeting. We will not require tickets for admission to the Annual Meeting. However, you may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the Annual Meeting. If you hold your shares in street name, you also may be asked to present proof of ownership to be admitted to the Annual Meeting. A brokerage statement or letter from your broker, bank, trust or other nominee are examples of proof of ownership. No cameras, cellular telephones or pagers will be allowed to be used in the meeting room, and all attendees are expected to comply with the rules of conduct for the Annual Meeting.

Who pays for the cost of proxy preparation and solicitation?

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone, facsimile or personally. These individuals will receive no additional compensation for these services other than their regular salaries.

Why did I receive a Notice of Internet Availability of Proxy Materials this year instead of a printed copy of the proxy materials?

We have decided to use the new Notice and Access rule recently adopted by the Securities and Exchange Commission to provide access to our proxy materials over the Internet instead of mailing a printed copy of the proxy materials to each stockholder. This new rule allows us to further our commitment to business policies and practices that sustain the environment and to reduce corporate expense. As a result, on or about June 16, 2009, we mailed to our street name holders only a Notice of Internet Availability of Proxy Materials ("Notice") that tells them how to access and review the information contained in the proxy materials and how to vote their proxies over the Internet. If you received only this Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request the materials by following the instructions included in the Notice.

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**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to be Held on July 29, 2009:**

Our proxy statement and 2009 Annual Report to Stockholders are available at
<https://materials.proxyvote.com/171046>.

ITEM 1 ELECTION OF DIRECTORS

The number of directors currently serving on our Board is seven. Our Board is divided into three classes. The members of each class are elected to serve a three-year term, with the term of office for each class ending in consecutive years.

At this year's Annual Meeting, the terms of our Class III directors will expire. Our current Class III directors are Mark A. Cohn and James J. Fuld, Jr.

On the recommendation of the Governance and Nominating Committee, the Board has nominated Mark A. Cohn and James J. Fuld, Jr. as Class III director nominees to serve until the 2012 Annual Meeting of Stockholders. Each has indicated a willingness to serve. Mr. Cohn was elected to the Board in October 2006. Mr. Fuld was re-elected as a Class III director at the Company's Annual Stockholder Meeting in 2006. The election of each nominee requires the affirmative vote of a plurality of the votes cast at the Annual Meeting in person or by proxy. Proxies may not be voted for more than two directors. If for any reason any nominee becomes unable to serve before the Annual Meeting occurs, the persons named as proxies may vote your shares for a substitute nominee as recommended by our Board of Directors.

The other directors will continue in office for their existing terms. Robert Ezrilov and Anne L. Jones serve as Class I directors with terms expiring in 2010. Larry C. Barenbaum, Martin L. Bassett and Lorna E. Nagler serve as Class II directors with terms expiring in 2011.

Board Recommendation

The Board recommends a vote FOR the election of Mr. Cohn and Mr. Fuld. Proxies will be voted FOR the election of the two nominees, unless otherwise specified.

Below is biographical information for each of the nominees for election as a director and for the directors whose terms of office will continue after the Annual Meeting.

Class III Directors Nominees for Terms Ending in 2012

Mark A. Cohn, 52, was elected to our Board in October 2006. Mr. Cohn is currently the Chairman and Chief Executive Officer of Third Season, LLC ("Third Season"), a company he founded in 2003. Third Season serves as a holding company, or incubator, of a number of small micro consumer marketing companies. Mr. Cohn was a founder of Damark International Inc., a consumer catalog company. He served as Damark's Chief Executive Officer from the company's inception in 1986 until February 2001. Mr. Cohn served as Chairman, President and Chief Executive Officer of Intelefilm Corporation from October 2001 to August 2002.

James J. Fuld, Jr., 61, has served as one of our directors since 1986. From November 1986 to December 1990, he served as our Secretary. Since December 1979, Mr. Fuld has been the Chairman, President and sole stockholder of James J. Fuld, Jr. Corp., a private financial and management consulting firm which focuses on retail and consumer product companies. Mr. Fuld served for approximately one year as the non-employee Chairman of the Board of J. Silver Clothing, Inc., a retailer, which filed a voluntary petition of relief under Chapter 11 of the U.S. Bankruptcy Code on February 25, 2005 and which was subsequently converted into a liquidation proceeding under Chapter 7 of the U.S. Bankruptcy Code. Mr. Fuld also serves on the Executive Board of the University of Pennsylvania Alumni Fund.

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Class I Directors Terms Ending in 2010

Robert Ezrilov, 64, has served as one of our directors since August 2001. From May 2002 to the present, Mr. Ezrilov has served in various capacities, most recently as Chief Executive Officer, at Cogel Management Company, an investment management company. From April 2001 to May 2002, Mr. Ezrilov served as an independent consultant. From July 1997 to April 2001, Mr. Ezrilov served as President of Metacom, Inc., a company that sold prerecorded music on interactive displays. Mr. Ezrilov was self-employed as a business consultant from April 1995 to July 1997. Prior to April 1995, he was a partner with Arthur Andersen LLP, which he joined in 1966. Mr. Ezrilov also serves on the Board of C. H. Robinson Worldwide, Inc. and serves as an advisory director to Holiday Companies.

Anne L. Jones, 63, has served as one of our directors since January 2000. From 1979 to the present, Ms. Jones has served as Chief Executive Officer of Jones Consulting Group, Inc., an organizational development consulting firm. In 2000, Ms. Jones partnered to form BancPlan LLC and developed an internet-based strategic assessment tool assisting community banks in the strategic planning process. Ms. Jones served as President and Chief Executive Officer of BancPlan LLC from 2000 to 2005. Prior to that, Ms. Jones served in various sales and product development capacities with IBM from 1968 to 1979. Ms. Jones also serves on the Board of the Jones Family Foundation, Red Wing, Minnesota.

Class II Directors Terms Ending in 2011

Larry C. Barenbaum, 62, was named Chairman of our Board in December 2005. He has served as one of our directors since March 1992. Since November 1991, Mr. Barenbaum has engaged in investment activities and has provided consulting services to various companies in the specialty retail and services industries. From 1986 to November 1991, Mr. Barenbaum was Chairman and Chief Executive Officer of Lawrence Jewelry Company, a fashion, wholesale jewelry distribution company he founded in 1970. Mr. Barenbaum also serves on the Board of Lakes Entertainment, Inc.

Martin L. Bassett, 47, has served as one of our directors since May 2008. Since February 2001, Mr. Bassett has been President and Chief Executive Officer of Walman Optical, an ophthalmic company. Prior to that, Mr. Bassett served Walman Optical in the areas of finance and operations. He is a director of The Walman Optical Company, Hydrogel Vision Corporation and The Vision Council of America. Mr. Bassett is also a member of the Young President's Organization and the Minnesota Society of CPA's.

Lorna E. Nagler, 52, has served as President and Chief Executive Officer since August 2007. From 2004 to 2007, Ms. Nagler was President of Lane Bryant, a division of Charming Shoppes, Inc., a women's apparel company. She was President of Catherines' Stores, also a division of Charming Shoppes, Inc., from 2002 to 2004. From 1996 to 2002, Ms. Nagler held various retail management positions with Kmart Corporation, a general merchandise company, including Senior Vice President, General Merchandise Manager Apparel and Jewelry from 2000 to 2002 and Divisional Vice President, General Merchandise Manager Kids and Menswear from 1998 to 2000. From 1994 to 1996, Ms. Nagler was a Vice President, Divisional Merchandise Manager for Kids R Us. Ms. Nagler also has previous retail experience with Montgomery Ward and Main Street Department Stores.

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INFORMATION REGARDING THE BOARD AND CORPORATE GOVERNANCE

The Board conducts its business through meetings and written consents of the Board and the following standing committees: Audit, Compensation, and Governance and Nominating. Each of the standing committees has adopted and operates under a written charter, all of which are available on our website at www.christopherandbanks.com select the "Investor Relations" link and then the "Corporate Governance" link. Other corporate governance documents available on our website include our Corporate Governance Guidelines and Code of Conduct. All of these documents also are available in print to any stockholder who requests them from our Corporate Secretary.

Code of Conduct

We have adopted a Code of Conduct applicable to all of our employees, directors and officers, including our principal executive officer, principal financial officer, principal accounting officer, controller and other employees performing similar functions.

Director Independence

Our Corporate Governance Guidelines provide that a majority of the directors of the Company shall meet the independence requirements of the New York Stock Exchange. Under the New York Stock Exchange rules, no director qualifies as independent unless the Board affirmatively determines that the director has no material relationship with us (directly, or as a partner, stockholder or officer of an organization that has a relationship with us).

The Board has affirmatively determined, in accordance with the standards set forth in the Corporate Governance Guidelines, that none of the individuals serving as non-employee directors during fiscal 2009 (including the non-employee directors being nominated for election at the Annual Meeting) has a material relationship with us and that each such non-employee director (including Larry C. Barenbaum, Martin L. Bassett, Donald D. Beeler, Mark A. Cohn, Robert Ezrilov, James J. Fuld, Jr. and Anne L. Jones) is independent.

Our other director, Ms. Nagler, cannot be considered an independent director because of her employment as our President and Chief Executive Officer.

Meetings of the Independent Directors

At both the Board and committee levels, our non-employee directors meet regularly in executive sessions in which Ms. Nagler and other members of management do not participate. Mr. Barenbaum, our non-executive Chairman, serves as the presiding director of executive sessions of the Board, and the Chair of each committee serves as the presiding director at executive sessions of that committee. In fiscal 2009, our non-employee directors met in executive sessions of the Board without management on five occasions.

Stock Ownership Guidelines

The Board has established stock ownership guidelines for non-employee directors. Each director is expected to achieve and maintain stock ownership of 10,000 shares by the fourth anniversary of the date he or she joined our Board. As of May 1, 2009, all of the directors who have served four or more years on the Board met this stock ownership guideline.

Term/Age Limits

The Board does not believe it is advisable to establish arbitrary term limits on directors' services. The Board has a mandatory retirement age under which the director must complete his or her term before age 73. As part of its responsibilities, the Governance and Nominating Committee evaluates

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each incumbent director's qualifications, performance and ability to continue to contribute productively before recommending the nomination of that director for an additional term.

Limitation on Board Service

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

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

All of the Company's directors, and in particular the director nominees, are encouraged to attend the Annual Meeting. All eight of our then current directors attended the 2008 Annual Meeting of Stockholders.

The Board of Directors held ten meetings during fiscal 2009. Each director holding office during the year attended more than 85% of the aggregate of the meetings of the Board of Directors (held during the period for which he or she had been a director) and the meetings of the committees on which he or she served (held during the period for which he or she served).

Our Board has three committees: Audit, Compensation, and Governance and Nominating. As of June 1, 2009, the members and Chairs of those committees were:

Independent Directors	Audit	Compensation	Governance & Nominating
Larry C. Barenbaum	X		Chair
Martin L. Bassett	X	X	
Mark A. Cohn	X	X	
Robert Ezrilov	Chair		X
James J. Fuld, Jr.		Chair	X
Anne L. Jones		X	X

The Audit Committee

All Audit Committee members are "independent" under applicable New York Stock Exchange listing standards and Securities and Exchange Commission rules and regulations. Our Board of Directors has determined that two members of the Audit Committee, Mr. Ezrilov and Mr. Bassett, each meet the definition of an "audit committee financial expert" as established by the Securities and Exchange Commission. The Audit Committee provides assistance to the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the financial reports of the Company. The Audit Committee has the sole authority to appoint, review and discharge our independent accountants, and has established procedures for the receipt, retention, response to and treatment of complaints regarding accounting, internal controls or audit matters. In addition, the Audit Committee is responsible for:

reviewing the scope, results, timing and costs of the audit with the Company's independent accountants and reviewing the results of the annual audit examination and any accompanying management letters;