

CHRISTOPHER & BANKS CORP
Form DEF 14A
June 15, 2007
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)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

Christopher & Banks Corporation

2400 Xenium Lane North

Plymouth, MN 55441

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held August 1, 2007**

The Annual Meeting of Stockholders of Christopher & Banks Corporation (Christopher & Banks, the Company, we or us) will be held on August 1, 2007 at 200 South Sixth Street, Suite 4000, U.S. Bank Plaza, Minneapolis, Minnesota. The meeting will convene at 3:00 p.m., Central Time, for the following purposes:

1. To elect two Class I directors to each serve a three-year term;
2. To approve an amendment to our 2006 Senior Executive Incentive Plan;
3. To approve an amendment to our 2005 Stock Incentive Plan to increase the number of shares reserved for issuance under the plan from 800,000 to 1,800,000;
4. To ratify and approve the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 1, 2008;
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.

The Company's Board of Directors (the Board) has fixed the close of business on June 4, 2007 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.

We hope you will be able to attend the meeting. Whether or not you plan to attend, please vote your shares promptly to ensure they are represented at the meeting. You may submit your proxy vote by completing and signing the enclosed proxy card and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting.

For the Board,

/s/ Matthew P. Dillon
Matthew P. Dillon
President and Chief Executive Officer

June 15, 2007

PROXY STATEMENT

2007 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD AUGUST 1, 2007

The Board of Christopher & Banks Corporation is soliciting proxies for use at the Annual Meeting of Stockholders to be held on August 1, 2007 (the Annual Meeting), and at any adjournment or postponement of the meeting. This proxy statement and the enclosed proxy card are first being mailed or given to stockholders on or about June 15, 2007.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our Annual Meeting, stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders. These include the election of two Class I directors, approval of an amendment to the 2006 Senior Executive Incentive Plan, approval of an amendment to the 2005 Stock Incentive Plan and ratification of the selection of our independent registered public accounting firm for the fiscal year ending March 1, 2008. Also, management will report on our performance during fiscal 2007 and matters of current interest to our stockholders. In addition, management will respond to questions from our stockholders.

Who is entitled to vote at the meeting?

The Board has set June 4, 2007, as the record date for the Annual Meeting. If you were a stockholder of record at the close of business on June 4, 2007, you are entitled to vote at the meeting. As of the record date 36,255,905 shares of common stock, representing all of our voting stock, were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 36,255,905 votes are entitled to be cast at the meeting for each proposal. There is no cumulative voting.

How many shares must be present to hold the meeting?

In accordance with our bylaws, 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. Shares are counted as present at the meeting if:

- you are present and vote in person at the meeting; or
- you have properly and timely submitted your proxy as described below under **How do I submit my proxy?**

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. Two executive officers have been designated as proxies for our 2007 Annual Meeting. These executive officers are Matthew P. Dillon and Andrew K. Moller.

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 a meeting of our stockholders. The proxy statement includes information regarding the matters to be acted upon at the meeting and certain other information required by regulations of the Securities and Exchange Commission and 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 submit my proxy?

How do I submit my proxy?

If you are a stockholder of record, you can submit a proxy to be voted at the 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.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker, bank, trust or other nominee. Your broker, bank, trust or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker, bank, trust or other nominee how to vote your shares. In many cases, you may be permitted to submit your voting instructions by Internet or telephone.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials or multiple control numbers for use in submitting your proxy, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or voting instruction card you receive or, if you submit your proxy by Internet or telephone, vote once for each card or control number you receive.

Can I vote my shares in person at the meeting?

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

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain and bring to the 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 meeting.

How does the Board recommend that I vote?

The Board recommends a vote:

- **FOR** all of the nominees for Class I director;
- **FOR** the approval to amend the 2006 Senior Executive Incentive Plan;
- **FOR** the approval to amend the 2005 Stock Incentive Plan to increase the number of shares reserved for issuance under the plan; and
- **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 1, 2008.

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

If you are a stockholder of record and submit a signed proxy card but do not specify how you want to vote your shares on a particular manner, we will vote your shares:

- **FOR** all of the nominees for director;
- **FOR** the approval to amend the 2006 Senior Executive Incentive Plan;
- **FOR** the approval to amend the 2005 Stock Incentive Plan to increase the number of shares reserved for issuance under the plan; and
- **FOR** the ratification of the selection of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the fiscal year ending March 1, 2008.

Your vote is 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. 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, approve an amendment to the 2006 Senior Executive Incentive Plan and approve the appointment 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 proposal to approve the amendment to the 2005 Stock Incentive Plan. If the broker, bank or other nominee does not exercise this 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?

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the Annual Meeting, in any of the following ways:

- by submitting a later-dated proxy to our corporate secretary, which must be received by us before the time of the Annual Meeting;
- by sending a written notice of revocation to our corporate secretary, which must be received by us before the time of the Annual Meeting; or
- by voting in person at the meeting.

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

The election of the Class I directors shall be determined by the affirmative vote of a plurality of the votes present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. The affirmative vote of the holders of a majority of the outstanding shares of common stock present in person or represented by proxy and entitled to vote at the Annual Meeting is required to approve an amendment to the 2006 Senior Executive Incentive Compensation Plan, to approve the amendment to the 2005 Stock Incentive Plan and to ratify the selection of our independent registered public accounting firm.

How are votes counted?

Edgar Filing: CHRISTOPHER & BANKS CORP - Form DEF 14A

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 meeting

3

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

If you withhold authority to vote for one or more of the director nominees or you do not vote your shares on this matter (whether by broker non-vote or otherwise), this will have no effect on the outcome of the vote. With respect to the proposals to approve an amendment to the 2006 Senior Executive Compensation Plan, to amend the 2005 Stock Incentive Plan and to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm, 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?

Yes. We have procedures to ensure that, regardless of whether you vote by mail or in person:

- all proxies, ballots and voting tabulations that identify stockholders are kept permanently confidential, except to the extent disclosure may be required by federal or state law or expressly permitted by a stockholder; and
- voting tabulations are performed by an independent third party.

How can I attend the meeting?

All of our stockholders are invited to attend the Annual Meeting. You may be asked to present valid photo identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name, you also may be asked to present proof of ownership to be admitted to the meeting. A brokerage statement or letter from your broker, bank, trust or other nominee are examples of proof of ownership.

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.

Can I receive future proxy statements and annual reports electronically instead of receiving paper copies through the mail?

If your shares are held in street name, please contact your broker, bank, trust or other nominee and ask about the availability of electronic delivery.

ITEM 1 ELECTION OF DIRECTORS

The number of directors currently serving on our Board is eight. Our Board is currently divided into three classes of approximately equal size. 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 I directors will expire. Our current Class I directors are Anne L. Jones, Robert Ezrilov and Robert B. Mang. Ms. Jones and Mr. Ezrilov have been nominated for reelection to the Board to serve until our 2010 Annual Meeting of Stockholders or until their successors are elected and qualified. Mr. Mang has decided not to continue as a director after the end of his current term. Each of Ms. Jones and Mr. Ezrilov has agreed to serve as a director if elected. The election of each nominee requires the affirmative vote of a plurality of the votes cast at the 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 selected by our Board.

The Board initiated a search to identify and recommend a new Board member in fiscal 2007. The search culminated with the appointment of Mark A. Cohn as a Class III director in October 2006.

The Board recommends a vote FOR the election of the two director nominees. Proxies will be voted FOR the election of the two nominees unless otherwise specified.

Following is biographical information for each of the nominees for election as director and for the directors whose terms of office will continue after the meeting.

Class I Directors Nominees for Terms Ending in 2010

Anne L. Jones, 61, 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 of BancPlan LLC from 2000 to 2005. Prior thereto, Ms. Jones served in various sales and product development capacities with IBM from 1968 to 1979. Ms. Jones serves on the Board of Ebenezer Society, Minneapolis, Minnesota and the Jones Family Foundation, Red Wing, Minnesota.

Robert Ezrilov, 62, 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 of Cogel Management Co., 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., a transportation service provider and serves as an advisory director to Holiday Companies, a privately held retailer of petroleum, food services and general merchandise.

Class II Directors Terms Ending in 2008

Matthew P. Dillon, 47, has served as one of our directors since January 2007. He has served as our President and Chief Executive Officer since January 2007. He was our President and Chief Merchandising Officer from December 2005 to December 2006. Mr. Dillon held the position of Executive Vice President and Chief Merchandising Officer upon joining us in May 2005.

Mr. Dillon served as Vice President and Director of Merchandising for Coldwater Creek from June 2001 to April 2005. Prior to joining Coldwater Creek, he held executive or senior merchandising positions with the Mark Group, Bear Creek Corporation and Spiegel.

Larry C. Barenbaum, 60, 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 serves on the Board of Lakes Entertainment, Inc.

Donald D. Beeler, 71, has served as one of our directors since March 1992. From 1986 to October 1999, Mr. Beeler was Chairman and Chief Executive Officer of Snyder's Drug Stores, Inc. (Snyder's), a Minneapolis-based retailer which operated a chain of 56 stores. In addition, Snyder's operated a contract wholesale program which supplied over 800

independent retailers in the United States. In October 1999, Snyder's was sold to Katz Enterprises, Inc. and Mr. Beeler retired.

5

Class III Directors Terms Ending in 2009

James J. Fuld, Jr., 59, 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 (the Code) on February 25, 2005 and which was subsequently converted into a liquidation proceeding under Chapter 7 of the Code.

Mark A. Cohn, 50, 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 including Second Act, LLC, an online retailer of consumer electronics. 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. Intelefilm Corporation filed a voluntary petition of relief under Chapter 11 of the U.S. Bankruptcy Code in August 2002.

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 Nominating and Corporate Governance. Each of the standing committees has adopted and operates under a written charter, all of which are available on our web site at www.christopherandbanks.com - under Our Business select the Investor Relations link and then the Corporate Governance link. Other corporate governance documents available on our web site include our Corporate Governance Guidelines, Code of Ethics and Business Conduct, and Corporate Policy on Fair Disclosure to Investors. All of these documents also are available in print to any stockholder who requests them from our Investor Relations Department.

Codes of Ethics and Business Conduct

We have adopted a Code of Ethics and Business 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. The code is available on our web site at www.christopherandbanks.com under Our Business select the Investor Relations link and then the Corporate Governance link - and are available in print to any stockholder who requests them from our Investor Relations Department.

Director Independence

Our Corporate Governance Guidelines provide that a majority of the directors of the Company shall meet the criteria for independence in accordance with the requirements of the New York Stock Exchange corporate governance rules. Under applicable rules of the New York Stock Exchange, 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 our non-employee directors (including the directors being nominated for re-election at the Annual Meeting) has a material relationship with us and that each non-employee director (including Larry C. Barenbaum, Donald D. Beeler, Mark A. Cohn, Robert Ezrilov, James J. Fuld, Jr., Anne L. Jones and Robert B. Mang) is independent.

Our other director, Mr. Dillon, cannot be considered an independent director because of his employment as our President and Chief Executive Officer.

Meetings of the Outside Directors

At both the Board and committee levels, our non-employee directors meet regularly in executive sessions in which Mr. Dillon 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 chairperson of each committee serves as the presiding director at executive sessions of that committee. In fiscal 2007, 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.

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 their term before age 73. As part of its responsibilities, the Nominating and Corporate Governance Committee evaluates 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

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.

Committees of the Board

Audit Committee

Members: Robert Ezrilov, *Chairperson*
Donald Beeler
Larry Barenbaum

The Audit Committee's purpose is to oversee the integrity of our financial statements, the independent registered public accounting firm's qualifications and independence, the performance of the independent registered public accounting firm, and compliance with legal and regulatory requirements. The Audit Committee has sole authority to retain and terminate the engagement of the independent registered public accounting firm and is directly responsible for the compensation and oversight of the work of the independent registered public accounting firm. The Audit Committee meets with management and the independent registered public accounting firm to review and discuss the annual audited and quarterly unaudited financial statements, reviews the integrity of our accounting and financial reporting processes and audits of our financial statements, and prepares the Audit Committee Report included in the proxy statement. The responsibilities of the Audit Committee are more fully described in the Committee's charter. The Audit Committee met five times during fiscal 2007. The Board has determined that all members of the Audit Committee are independent (as that term is defined in the applicable New York Stock Exchange rules), that all members are financially literate and have the accounting or related financial expertise required by the New York Stock Exchange rules, and that Mr. Ezrilov and Mr. Beeler are audit committee financial experts as defined by regulations of the Securities and Exchange Commission.

Compensation Committee

Members: Anne L. Jones, *Chairperson*
Mark A. Cohn
Robert B. Mang

The Compensation Committee discharges the Board's responsibilities relating to compensation of the executive officers, oversees succession planning for the executive officers and ensures that our compensation and employee benefit programs are aligned with our compensation and benefits philosophy. The Compensation Committee has full discretion to determine the amount of compensation to be paid to the executive officers with the exception of the Chief Executive Officer whose compensation must be approved by the full Board. The Compensation Committee has the authority to evaluate the Chief Executive Officer's performance. In addition, the Compensation Committee is responsible for recommending stock ownership guidelines for the executive officers, for reviewing and approving the establishment of broad-based incentive compensation, equity-based, retirement or other material employee benefit plans, and for discharging any duties under the terms of these plans.

The Compensation Committee has delegated authority to our Chief Executive Officer and either the Chief Operating Officer or the Chief Financial Officer to allocate equity awards to employees other than our executive officers in connection with recruiting, retention and significant promotions. This delegation permits the executive officers to determine the recipient of the award as well as the type and amount of the award, subject to a limitation of 5,000 stock option grants and 1,500 shares of restricted stock during any consecutive 12 month period.

The Compensation Committee reviews and discusses with management the disclosures regarding executive compensation to be included in our annual proxy statement, and recommends to the Board inclusion of the Compensation Discussion and Analysis in our annual proxy statement. The responsibilities of the Compensation Committee are more fully described in the Committee's charter. For more information regarding the Compensation Committee's process in setting compensation, please see "Compensation Discussion and Analysis" below. The Compensation Committee met 15 times during fiscal 2007. The Board has determined that all members of the Compensation Committee are independent (as that term is defined in applicable New York Stock Exchange rules).

Nominating and Corporate Governance Committee

Members: James J. Fuld, Jr., *Chairperson*
Larry Barenbaum
Donald D. Beeler
Robert Ezrilov

The Nominating and Corporate Governance Committee identifies and recommends individuals qualified to become members of the Board and recommends to the Board corporate governance principles and practices for us. In particular, the Nominating and Corporate Governance Committee assesses the independence of our Board members, recommends the compensation and benefits to be provided to our non-employee directors, identifies and evaluates candidates for nomination as directors, responds to director nominations submitted by stockholders, recommends the slate of director nominees for election at the Annual Meeting and candidates to fill vacancies between Annual Meetings, recommends qualified members of the Board for membership on committees, oversees the director orientation and continuing education programs, reviews the Board's committee structure, reviews and assesses the adequacy of our Corporate Governance Guidelines, and oversees the annual evaluation process for the Board and Board committees. The responsibilities of the Nominating and Corporate Governance Committee are more fully described in the Committee's charter. The Nominating and Corporate Governance Committee met five times during fiscal 2007. The Board has determined that all members of the Nominating and Corporate Governance Committee are independent (as that term is defined in applicable New York Stock Exchange rules).

Meeting Attendance

Our Corporate Governance Principles provide that our directors are expected to attend meetings of the Board and of the committees on which they serve, as well as our Annual Meeting of Stockholders. Our Board held seven meetings during fiscal 2007. Each of our directors attended at least 75% of the meetings of the Board and the committees on which he or she served during fiscal 2007. All but two of our directors attended the 2006 Annual Meeting of Stockholders.

Procedures for Contacting the Board

The Board has established a process for stockholders and other interested parties to send written communications to the Board or to individual directors. Such communications should be sent by U.S. mail addressed to:

Christopher & Banks Board of Directors

c/o Christopher & Banks Corporation

2400 Xenium Lane North

Plymouth, MN 55441

The Board has instructed us to promptly forward all communications so received to the full Board or the individual Board members specifically addressed in the communication. Comments or questions regarding our accounting, internal controls or auditing matters will be referred to the Audit Committee. Comments or questions regarding our compensation and benefit programs will be referred to the Compensation Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to the Nominating and Corporate Governance Committee.

Procedures for Selecting and Nominating Director Candidates

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. A stockholder who wishes to recommend a director candidate for nomination by the Board at the Annual Meeting of Stockholders or for vacancies of the Board that arise between stockholder meetings must timely provide the Nominating and Corporate Governance Committee with sufficient written documentation to permit a determination by the Board whether such candidate meets the required and desired director selection criteria set forth in our bylaws and our Corporate Governance Guidelines described below. Such documentation and the name of the director candidate must be sent by U.S. mail to:

Nominating and Corporate Governance Committee

Christopher & Banks Corporation

2400 Xenium Lane North

Plymouth, MN 55441

Under our bylaws, only persons nominated in accordance with the procedures set forth in the bylaws will be eligible to serve as directors. In order to nominate a candidate for service as a director, you must be a stockholder at the time you give the Board notice of your nomination, and you must be entitled to vote for the election of directors at the meeting at which your nominee will be considered. In accordance with our bylaws, director nominations generally must be made pursuant to notice delivered to or mailed and received at our principal executive offices at the address above, not later than the 60th day, nor earlier than the 90th day, prior to the first anniversary of the prior year's Annual Meeting of Stockholders; provided, however, that in the event that the date of the Annual Meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the stockholder must be delivered not earlier than the close of business on the 90th day prior to such Annual Meeting and not later than the close of business on the later of the 60th day prior to such Annual Meeting or the 10th day following the day on which public announcement of the date of the meeting is first made. Your notice must set forth all information relating to the nominee that is required to be disclosed in solicitations of proxies for the election of directors in an election contest, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including the nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected). The notice must contain (1) the name and address of the stockholder giving notice, (2) the name and address of the person nominated and (3) the class and number of shares owned by each of the stockholder and the proposed nominee.

Our Corporate Governance Guidelines require the Nominating and Corporate Governance Committee to consider several factors when evaluating the appropriate characteristics of candidates for service as a director. At a minimum, director candidates must demonstrate high standards of ethics, integrity, independence, sound judgment, strength of character and meaningful experience and

skills in business or other appropriate endeavors. In addition to these minimum qualifications, the Nominating and Corporate Governance Committee considers other factors it deems appropriate based on the current needs and desires of the Board, including specific business and financial expertise currently desired on the Board, experience as a director of a public company, geography, age, gender and ethnic diversity. The Nominating and Corporate Governance Committee is responsible for conducting, subject to applicable law, any inquiries into the background and qualifications of the candidate. The Nominating and Corporate Governance Committee is authorized to use an outside consultant to identify and screen potential director candidates. The Committee will reassess the qualifications of a current director, including the director's attendance and contributions at Board and committee meetings, prior to recommending a director for reelection.

Newly Created Directorships and Vacancies

Our Articles of Incorporation provide that newly created directorships resulting from any increase in the number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

Compensation Program for Non-Employee Directors

In fiscal 2007, directors who we do not employ, received an annual cash retainer of \$36,000 for service on our Board. In addition, such directors received \$1,000 for each Board meeting attended, with a maximum of \$4,000 per year. Committee members received \$500 per quarter for each committee on which they served. The chairperson of the Audit Committee received \$2,000 per quarter, or \$8,000 per year. The chairperson of each other standing committee received \$1,000 per quarter, or \$4,000 per year.

Larry Barenbaum's compensation as chairman of the Board was \$60,000. Mr. Barenbaum also received \$1,000 per quarter, or \$4,000 per year for his services as lead director. In recognition of his substantial efforts in connection with the management transition during fiscal 2007, Mr. Barenbaum was awarded a one time bonus of \$40,000 and received a restricted stock award of 1,000 shares of our common stock on December 13, 2006, which vested 30 days after the grant date.

In addition to the cash retainer, we also grant equity awards to our non-employee directors in order to further align their interests with those of our stockholders. On July 26, 2006, we granted each director (excluding Mark Cohn, who did not join the Board until October 2, 2006) an option to purchase 12,000 shares of our common stock with an exercise price of \$26.61 per share and awarded 2,500 shares of restricted stock to each director. On October 2, 2006, we granted Mark Cohn an option to purchase 10,000 shares of common stock with an exercise price of \$30.78 per share and awarded Mr. Cohn 2,083 shares of restricted stock. The options vest upon grant and become exercisable six months from the date of grant. The restricted shares are restricted from sale for six months from the date of grant.

The 2006 Equity Incentive Plan for Non-Employee Directors (the "2006 Plan") permits stock options, restricted stock awards, restricted stock unit awards, performance share awards, performance unit awards and stock appreciation rights. The total number of shares of our common stock authorized for grants of awards to participants directly or indirectly under the 2006 Plan is 300,000. As of June 4, 2007, 235,917 shares remained available for awards. The 2006 Plan is administered by the Nominating and Corporate Governance Committee (the "Administrator"). The Administrator has broad powers to: (i) establish rules for the administration of the 2006 Plan; (ii) select the participants in the 2006 Plan; (iii) determine the types of awards to be granted and the number of shares covered by such awards; and (iv) set the terms and conditions of such awards.

Non-Employee Director Compensation for Fiscal 2007

The following table contains cash and non-cash compensation awarded to or earned by each of our non-employee directors for the fiscal year ended March 3, 2007.

Name	Fees Earned or Paid in Cash (\$) (2)	Stock Awards (\$) (3)(4)(5)	Option Awards (\$) (6)(7)(8)	All Other Compensation	Total (\$)
Larry C. Barenbaum	48,000	84,725	106,070	100,000	(9) 338,795
Donald D. Beeler	44,000	66,525	106,070		216,595
Robert Ezrilov	50,000	66,525	106,070		222,595
James J. Fuld, Jr.	45,667	66,525	106,070		218,262
Anne L. Jones	45,667	66,525	106,070		218,262
Robert B. Mang	43,667	66,525	106,070		216,262