

J. C. PENNEY COMPANY, INC.

Human Resources and Compensation Committee of the Board of Directors Charter (revised February 2008)

I. Purpose

The purpose of the Human Resources and Compensation Committee (“Committee”) is to:

- A. Assist the Board of Directors in discharging the Board’s responsibilities relating to compensation of the Company’s executives;
- B. Monitor management succession;
- C. Oversee the administration, financial and investment performance, and operation of the Company’s retirement and welfare plans; and
- D. Produce a compensation committee report for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations.

II. Composition and Meetings

- A. The Committee shall be composed of at least three members of the Board. The members and Chair of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee. Membership on the Committee shall be modified at the full Board’s discretion. The Board may remove a Committee member from membership on the Committee at any time with or without cause. Members shall serve until their successors are appointed by the Board.
- B. Each member of the Committee shall meet the independence requirements of the New York Stock Exchange and, if deemed appropriate from time to time, meet the definition of “non-employee directors” under Rule 16b-3 under the Securities Exchange Act of 1934, and “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986. No director qualifies as

“independent” unless the Board affirmatively determines that the director has no material relationship with the Company.

- C. The Committee shall meet at least twice a year. The schedule for regular meetings of the Committee shall be established by the Committee. The Chair of the Committee may call a special meeting at any time as he or she deems advisable.

III. Duties and Responsibilities

- A. The Committee shall have the following responsibilities:
 - 1. To review recommendations concerning the compensation of officers and approve the compensation of senior executive officers.
 - 2. To make recommendations to the Board of Directors with respect to incentive compensation plans and equity-based plans.
 - 3. To review plans or proposals on management succession and major organizational or structural changes.
 - 4. To review the annual financial and investment performance reports of the funds under the Company’s retirement and welfare plans, including the annual actuarial valuation reports applicable to such plans.
 - 5. To exercise any and all powers and responsibilities pursuant to its designation provided for, by, or under any of the Company’s compensation and cash bonus and stock incentive plans, retirement and welfare plans, deferred compensation plans, and other executive and associate benefit plans as shall be authorized by the Board of Directors. Such powers and responsibilities shall include, without limitation, determining the appropriate action to take, which may include requiring relinquishment of previously awarded equity-based incentive compensation and/or repayment of previously paid cash compensation to a participant, in the event of a financial restatement arising out of the willful actions, including without limitation fraud or intentional misconduct, or the gross negligence of such participant in the plans.
 - 6. To oversee the administration and operation of the Company’s retirement and welfare plans by the internal Human Resources Committee (or any successor thereto).

7. To review and discuss with management the Company's Compensation Discussion and Analysis and other compensation-related disclosures to be included in the Company's proxy statement and recommend to the Board whether the Compensation Discussion and Analysis should be included in the Company's proxy statement.
 8. To prepare, review and approve the Committee's compensation committee report for inclusion in the Company's proxy statement in accordance with applicable rules and regulations.
 9. To report to the Board of Directors, at least annually, on its review of the foregoing.
 10. To conduct an annual evaluation of the Committee's performance. The Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation and reporting the results to the Board. This may be a written or oral report by any member of the Committee.
- B. The Committee shall receive from the Committee of the Whole that Committee's evaluation of the CEO's performance in light of the CEO's previously established goals and objectives. Based upon this evaluation and the data and information regarding CEO compensation matters that it has collected, the Committee will make a non-binding recommendation to the Committee of the Whole regarding the CEO's compensation level and its individual components, including the long-term incentive component of CEO compensation after considering the Company's performance and relative stockholder return, accomplishment of long-term strategic objectives, development of management, the value of similar incentive awards to CEOs at comparable companies, and, as appropriate, the awards given to the Company's CEO in past years relative to the Company's performance in those years.
- C. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

IV. Policy Regarding Retention, Independence of Compensation Consultant

- A. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used by it, the Board, the Committee of the Whole, or the Corporate Governance Committee,

as the case may be, to assist in the evaluation of CEO, senior executive or Board compensation and shall have sole authority to approve the consultant's fees and other retention terms.

- B. It is the policy of the Committee that any compensation consultant retained by the Committee in accordance with Article IV, Section A of this Charter shall be prohibited from providing consulting or other services to management of the Company.

V. Charter Review and Amendment

The Committee shall review and reassess the adequacy of this Charter at least annually. The Board of Directors may make such amendments to this Charter as it deems advisable, including, but not limited to, any amendments to conform to or reflect any change in any law, regulation, or ruling applicable to compensation committees.