

J. C. PENNEY COMPANY, INC.
CODE OF BUSINESS CONDUCT AND ETHICS FOR
THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) of J. C. Penney Company, Inc. (the “Company”) has adopted the following Code of Business Conduct and Ethics (the “Code”) for directors of the Company. No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Code is intended to focus the Board on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability. Each director agrees to comply with the letter and spirit of this Code.

1. Conflict of Interest

A conflict of interest occurs when an individual’s private interest interferes in any way - or even appears to interfere - with the interests of the Company as a whole. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when a director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

Directors of the Company will avoid any activity, interest, or relationship with non-Company persons or entities that would create, or might appear to others to create, a conflict with the interests of the Company. A director will disclose the facts relating to any potential conflicts to the Corporate Secretary, General Counsel and the Chair of the Audit Committee.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations that must be avoided:

- A director will not, directly or indirectly, accept gifts of cash or anything else of value from anyone having or seeking business with the Company, other than non-cash gifts of nominal value generally used for promotional purposes by the donor.
- A director will not seek or accept a loan or guarantee from the Company. Further, a director will not seek or accept a loan from any person or entity having or seeking business with the Company except from recognized financial institutions, at the normal interest rates for individual borrowers prevailing at the time of borrowing.

- A director will not have any direct or indirect interest in, or relationship with, any competitor of the Company if such interest or relationship might influence, or appear to influence, that person in the performance of his or her Company duties. Ownership of stock in a competitor will not be deemed a conflict of interest if the stock is publicly traded and the amount owned or beneficially owned by the associate does not exceed one tenth of 1% of the amount outstanding.
- A director will avoid financial or other involvement with a supplier if such involvement might influence, or appear to influence that director in the performance of his or her Company duties. No spouse, child, or parent of a director will call on the Company to sell goods or services unless the matter has been disclosed and approved by the Corporate Secretary, General Counsel and the Chair of the Audit Committee.

2. Corporate Opportunities

Directors recognize that they owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. A director will not (a) appropriate to himself or herself, nor divert to any other person or entity, opportunities that are discovered through the use of Company property, information or position; (b) use Company property, information, or position for personal gain; or (c) compete with the Company.

3. Confidentiality

Directors understand that confidential proprietary information generated and gathered in our business is a valuable Company asset. Directors will maintain the confidentiality of all information so entrusted to them, except when authorized or legally mandated. If a director believes that disclosure of confidential information is legally required, he or she will consult with the Corporate Secretary, General Counsel for a determination before disclosure. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. The obligation to safeguard confidential information continues after the director is no longer on the Board.

4. Fair Dealing

The Company has a duty to deal fairly with its customers, suppliers, competitors and employees. In carrying out their responsibilities for the Company, directors will not take unfair advantage of anyone through manipulation, concealment,

abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

5. Protection and Proper Use of Company Assets

The assets of the Company are to be acquired, used, and disposed of for the benefit of the Company and its stockholders. In carrying out their responsibilities, directors will promote the responsible use and control of the Company's assets and resources. Company assets, such as funds, information, materials, supplies, intellectual property, facilities, software and other assets owned or leased by the Company will be used only for legitimate business purposes of the Company.

6. Compliance with Laws, Rules and Regulations

Each director of the Company, while acting on behalf of the Company, will comply with all applicable governmental laws, including federal, state, and local statutes, regulations, and codes, including insider trading laws.

7. Reporting of Illegal or Unethical Behavior

Directors will promote ethical behavior and take steps to ensure that the Company (a) encourages associates to talk to supervisors, managers, and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages associates to report violations of laws, rules, regulations or the Company's Statement of Business Ethics; and (c) informs associates that the Company will not allow retaliation for reports made in good faith.

Directors who also serve as officers of the Company must follow this Code in addition to the Company's Statement of Business Ethics.

Directors are encouraged to bring questions about any provisions of this Code to the attention of the Corporate Secretary, General Counsel and the Chair of the Audit Committee. Directors should communicate any suspected violations of this Code promptly to the Corporate Secretary, General Counsel and the Chair of the Audit Committee. Violations will be investigated by the Board or its designees, and appropriate action will be taken in the event of any violations of this Code. Any waiver of the Code may be made only by the Board [or Audit Committee] and must be promptly disclosed to stockholders.

The Audit Committee shall be responsible for assisting the Board's oversight of the operation of the Code. The Audit Committee shall assess the adequacy of the Code periodically and recommend any changes to the Board.