



IN OVER 100 YEARS, A LOT HAS CHANGED.

ONE THING HASN'T.

Our commitment to live by the Golden Rule.

2013 STATEMENT OF BUSINESS ETHICS



Dear Team Members:

More than a century ago, James Cash Penney founded this Company on the principle of the Golden Rule: treat others the way you would like to be treated. While jcpenny has gone through many changes throughout its history, the foundation built by honesty, trust and integrity has never wavered, and has sent a message to our customers, shareholders and suppliers that we are a Company that always interacts with the highest ethical standards.

That foundation is the cornerstone which will carry us forward as we regain our strong foothold in American retailing.

We recognize that each of us – regardless of whether you work in one of our stores, supply chain facilities, customer care centers, our Home Office, or in one of our international offices -- is vital to our ongoing efforts to maintain and strengthen our commitment to the sound principles of honesty, trust and integrity on which jcpenny was founded.

We have been and continue to be committed to the values of:

- Treating all team members with respect, kindness, courtesy and honesty;
- Dealing fairly and honestly with our business contacts, customers, vendors, shareholders and contractors;
- Striving to create a workplace with high ethical standards; and
- Asking questions when it just doesn't square with what is right and just.

I'd like to ask that each one of you join me in dedicating ourselves to the ethical principles on which our Company was founded and under which we will continue to grow and succeed.

As we focus on returning the Company to profitable growth, I look forward to working together to ensure that our original values continue to be reflected in the daily actions of all of us.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Ullman". The signature is fluid and cursive, with a long horizontal flourish at the end.

Myron E. (Mike) Ullman, III
Chief Executive Officer

TABLE OF CONTENTS

Letter from Mike Ullman	02
Raising Concerns	04
No Retaliation for Raising Good Faith Concerns	04
Equal Employment Opportunities	05
Securities Laws	05
Antitrust	05
Bribery and Anti-Corruption Prohibitions	06
Bribery of Public Officials	
Commercial Bribery	
Political Activities	07
Communications	07
Books, Records, and Accounts	07
Protecting Company Property	07
Our Creations	08
Safeguarding Company Information	08
Use and Protection of Customer Information	09
Team Member Privacy and Personal Activities	09
Conflicts of Interest	09
Relatives	
Interest in Competitors	
Relations with Vendors	
Solicitations of Vendors for Non-profit Organizations	
Gifts, Meals, Entertainment, and Travel	
Loans	
Former Team Members	
Diversion of Corporate Opportunity	
Product Safety	12
Health and Safety	12
Be Loyal	12
Contacts	13

[CLICK HERE TO VIEW LEADERSHIP MESSAGE VIDEO.](#)

Raising Concerns

We're a team, and team members talk to each other. All jcpenny team members have both the freedom and responsibility to make jcpenny better every day. That starts by fostering a culture of open communication. Your leaders at jcpenny are available to you any time you want to express any concerns or make suggestions. Team members may raise an issue at any level, but starting with your leader is probably the best first step.

However, jcpLine is another resource – available around the clock – you can use to raise work-related concerns or issues you may be facing. Turn to jcpLine to raise issues involving ethics, legal compliance, employee relations, accounting complaints, loss prevention, safety and jcpenny’s environmental practices.

jcpLine

Questions? Concerns? Team members may contact jcpLine toll-free by telephone at 1-800-527-0063 or you may visit the jcpLine website www.jcpLine.com. Team members and others outside the United States may call a toll-free international number. A directory of numbers by country is available at www.jcpLine.com.

jcpLine is operated by an organization independent from jcpenny. The more information you provide, the better the Company will be able to investigate and take appropriate action. If you choose, you may remain anonymous when you contact jcpLine.

Sometimes, it may seem easier to stay quiet or look the other way when someone violates our policies, but doing nothing can also result in serious consequences. Honest and ethical workplaces are built by dedicated team members, who are willing to speak out against unethical and illegal behavior. As a team member, it is your obligation to report violations.

No Retaliation for Raising Good Faith Concerns

Team members are always free to express concerns. jcpenny has a strict policy against retaliation, so do not hesitate to raise an issue regarding possible legal, ethical or jcpenny policy violations. Team members who have made a good faith report will not be subject to any adverse action or retribution. Retaliation is not tolerated. Company policy forbids it. So does the law.

Not only do we comply with Company policy, but we also respect and follow the laws of the lands in which we do business. We are residents and citizens of the communities and countries in which we operate and absolutely must ensure all

When you call jcpLine, you will be provided a case number to use if you wish to call back to seek or provide more information.

When in doubt about a legal issue, call the Legal Department. If you are uncertain which attorney to call, consult the [Legal Directory by Topic](#) webpage.

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenny

2013 STATEMENT OF BUSINESS ETHICS

applicable laws are followed. As we all know, violations of law can result in corporate, personal, financial liability and criminal penalties, as well as damage to our Company's reputation.

This responsibility goes both ways. We require our vendors to comply with all laws and our business ethics principles, as well. For further information, see the [Company's Supplier Principles](#).

We Provide Equal Employment Opportunities

Courtesy. Dignity. Respect. We do not compromise on these principles. Everyone within (and indeed beyond) the jcpenny community should and must be treated with courtesy, dignity and respect. Current team members, potential candidates and applicants must experience equal employment opportunities, no matter what. This means, for example, that employment decisions are made without regard to race, color, religion, ethnicity, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, active military or veteran status, age, disability or other status protected by law.

We are also committed to creating a harassment free environment for all our team members, partners and customers. No exceptions. That's our commitment to our community. That's our commitment to our team. That's our commitment to you.

Securities Laws

As jcpenny team members, we work on a lot of projects and developments, much of which is not disclosed to anyone outside of jcpenny. Trading in jcpenny securities when you have such information or sharing jcpenny internal information to influence anyone's decision to buy or sell our stock can lead to real consequences, including termination of your employment.

Team members should never engage in transactions in jcpenny or another company's securities (including through the 401(k) Savings Plan) when you have material information not available to the public. Likewise, you should never give such undisclosed "inside" information to others for their use in transactions in jcpenny or another company's securities. These acts may violate securities laws, which could result in criminal and/or civil liability for the team member and/or the Company.

Antitrust

jcpenny believes in free and fair competition. The Company obeys all antitrust laws, also known as competition laws. These laws protect consumers by promoting competition in areas such as pricing, service, merchandise selection or quality and innovation. jcpenny does not act in ways that suppress competition, such as price

If you believe that you or another team member has been harassed or discriminated against, immediately notify your leader or your HR representative. If you prefer, you may call jcpLine at 1-800-527-0063. Your concerns will be investigated promptly and treated in as confidential a manner as possible. For further information, consult the [EEO Policy](#).

Information is considered material if it would be expected to impact a reasonable investor's decision to buy or sell jcpenny stock. For example, material information would be a significant upward or downward revision of earnings forecasts, a significant restructuring charge, a major management change or a significant acquisition or divestiture. Guidelines with respect to trading in jcpenny securities, as well as the securities of publicly traded companies with whom jcpenny has business relationships, are more fully set out in jcpenny's [Securities Trading Policy](#).

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenny

2013 STATEMENT OF BUSINESS ETHICS

fixing, allocation of markets or allocation of vendors. Price fixing occurs when two or more competitors agree to set a price. Allocation of markets or vendors occurs when competitors agree to split up vendors, products or customers (for example, by geography), to avoid competing in those areas or markets. Team members must avoid agreements with competitors or vendors that would have any of these or other anticompetitive effects. When participating in industry or benchmarking groups, team members should avoid sharing information or making agreements that would limit competition. Violations can lead to serious consequences for both the Company and the individuals involved.

Bribery & Anti-Corruption Prohibitions

We do not tolerate bribery or corruption, regardless of where we are located or where we do business. What it means for you – Never pay, promise or offer, directly or indirectly, money or anything of value to a government official or political party for the purpose of influencing, retaining or directing an official act or decision in order to obtain or retain business or secure an improper advantage. Always comply fully with the anti-bribery and anti-corruption laws of the countries in which we do business, including the Foreign Corrupt Practices Act (FCPA). No business or partnership is exempt from these restrictions. There are limited exceptions to these principles which require prior approval from the Legal Department.

For further guidance, refer to the [Foreign Corrupt Practices Act Policy \(FCPA\)](#).

Not all bribery takes the form of cash payments. It can take the form of gifts, travel, entertainment, employment or anything of value or benefit or any unfair advantage. While token hospitality gifts or entertainment may be appropriate in a particular situation, extravagant gifts or entertainment of government officials is never appropriate.

Bribery of Public Officials

No assets of the Company or any other funds may be used to bribe or influence any decision by an employee of any government department or agency, government-owned entity, international organization, political party or candidate for political office. The FCPA and laws of other countries strictly prohibit giving, promising or offering money or anything of value, directly or indirectly, to such persons in order to obtain or retain business or to gain any improper business advantage. Team members may not give, promise, offer or authorize, directly or indirectly, any payments to government officials of any country. The prohibition applies to any payments made or thing of value provided, through consultants, suppliers or other third parties on our behalf.

Commercial Bribery

Team members are strictly prohibited from paying a bribe or giving anything of value or benefit or giving any unfair advantage intended to influence the judgment or business conduct of a person in a position of authority. Similarly, team members may never accept or solicit bribes, kickbacks, payoffs or other types of payments from any organization or individual seeking to do business with, doing business with, or competing with jcpenny.

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenny

2013 STATEMENT OF BUSINESS ETHICS

If a team member wishes to hold public office, whether elected or appointed, the potential for conflict of interest, or the appearance of conflict, must be taken into account. Therefore, team members must disclose the intent to seek public office to their leader and on the Certificate of Compliance available through the [Kiosk](#). Team members must receive a positive response prior to initiating any action.

All proposed contacts, payments, donations, or services in any of these areas must be reviewed in advance and approved in writing by jcpenny's Vice President, Government Relations. For more information about political involvement, visit to the [Government Relations/Penny PAC](#) website, or email grgroup-sm@jcp.com.

Political Activities

jcpenny team members should feel free to become involved in the political process and political affairs if they are interested. But please do not bring it to work. Such activities must be restricted to the use of a team member's personal resources and facilities. A team member may choose to make a political contribution or choose to avoid doing so. These choices will never impact any condition of a team member's employment.

Corporate payments of anything of value, including cash, merchandise or services, in connection with political activities are generally either illegal or strictly regulated by law. Further, the Company's contacts with, and donations to, federal, state and local legislators and executive branch officials are also regulated by law. Failure to comply with these regulations could result in fines or criminal penalties.

Communications

Being fair and honest in everything we do means ensuring that any message we release to our team, our customers and the public is accurate and truthful. jcpenny endeavors to comply with the laws in the areas of product information, pricing, product availability, credit terms, warranty statements, telephone and Internet order procedures, among others.

Our stockholders, customers, vendors and communities all need to know that they can trust us to do what is honest and right. No team member should intentionally manipulate or misrepresent information communicated to the team, our suppliers or the public.

Books, Records, and Accounts

We must maintain books, records and accounts that, in reasonable detail, accurately and fairly reflect all business transactions. False or misleading entries are prohibited. No fund, asset or account of the Company may be established or acquired for any purpose unless such fund, asset or account is accurately reflected in the Company's books and records. [CLICK HERE TO VIEW ACCURACY OF RECORDS VIDEO.](#)

Protecting Company Property

Anything developed for jcpenny is also owned by jcpenny. Company assets are acquired, used and disposed of for the benefit of the Company and its shareholders and never for the personal benefit of team members. Each team member must comply with jcpenny procedures in order to protect the assets of the Company and avoid situations that may harm the reputation of jcpenny or create financial liability.

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenny

2013 STATEMENT OF BUSINESS ETHICS

Any act of theft, fraud, embezzlement or misappropriation of property is not only strictly prohibited, it's just wrong. Company funds or assets should never be used for unlawful purposes. In addition, team members should never take or make available to others any jcpenney property for reasons that do not support the Company's business. This includes tangible assets such as cash, inventory, equipment, supplies, displays, samples and intangible assets such as Company brands, trademarks, ideas, inventions, strategic plans and processes, and the data and information that team members have access as a result of their work responsibilities.

For further guidance, refer to the [Information Security Policy](#).

Our Creations

Inventions, designs, patterns or innovations conceived or devised by team members are a major point of pride for our business and will make a major impact on the industry. These creations drive the business and must therefore be protected. An asset belongs to jcpenney if it: (a) arises out of or is suggested by work performed by a team member for the Company, (b) results from the team member's use of Company time, facilities, equipment or supplies, or (c) arises out of or is suggested by the team member's use of jcpenney resources, trade secrets or confidential information. When a team member's invention is deemed an asset of jcpenney, the team member must assign the invention to the Company.

Safeguarding Company Information

jcpenney considers all nonpublic information concerning any aspect of jcpenney business or information acquired by team members as a result of their employment to be confidential Company information. Team members may not disclose any confidential Company information to others or use for their benefit or for the benefit of another, without appropriate authorization. Even within jcpenney, confidential Company information should only be shared on a need-to-know basis.

Your obligation to preserve confidential Company information continues even after your employment ends. If you take jcpenney proprietary or confidential Company information with you when you leave the Company, or if you access jcpenney information without authorization, you may be subject to criminal and/or civil liability. Team members must also protect other companies' confidential information. Team members should never disclose or use the confidential information of their previous employers or of any other company in conducting business on behalf of jcpenney. Further, team members must protect confidential information of companies conducting or hoping to conduct business with jcpenney.

[CLICK HERE TO VIEW CONFIDENTIAL INFORMATION VIDEO.](#)

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenney

Consult the [Customer File Management Manual](#) or our [Privacy Policy](#) for policies and procedures related to the use of information about customers and the [Information Security Policy](#) for guidance as to measures that should be taken to protect its confidentiality.

For further information consult the [Information Security Policy](#).

If you are ever in doubt about whether a particular situation or relationship would cause a conflict of interest between yourself and jcpenny, you are required to make a full and prompt disclosure of the facts regarding the potential conflict of interest. This disclosure must be made using the Disclosures box of the Certificate of Compliance available in the [Kiosk](#). Any disclosure must be approved before further action can be taken.

Use and Protection of Customer Information

jcpenny recognizes and respects the privacy of our customers. Therefore, all information about our customers must be treated with extreme care. Team members should only use or disclose that information to others, whether fellow team members or third parties, as needed for authorized Company business purposes and in accordance with applicable laws and regulations.

This responsibility includes taking appropriate steps to prevent the unauthorized disclosure or use of, or unauthorized access to, information about our customers – particularly personal information such as names, addresses, telephone numbers, driver’s license numbers, social security numbers and credit/debit card or checking account numbers. It also includes the appropriate disposal of customer data in all forms.

Team Member Privacy and Personal Activities

jcpenny and its team members also have a duty to handle (and protect) the personal information of all team members with care. We must prevent the unauthorized disclosure or use of, or unauthorized access to, this information. This duty also includes the appropriate disposal of personal information about team members in whatever form it is kept.

In most circumstances, team members may keep their personal activities outside of the workplace confidential. Still, you should always keep in mind that you are a representative of jcpenny, and that you have no expectation of privacy on any jcpenny system or device.

Conflicts of Interest

Every single day jcpenny relies on its leaders and its team members to use good judgment and uphold its ethical principles. The Company cannot spell out every possible situation that a team member might face. Instead, jcpenny must – and prefers to – rely upon the good judgment of our team members. This means being aware of potential conflicts of interests, where a team member’s personal life (activities, relationships, or financial affairs) could inappropriately influence or appear to inappropriately influence the team member’s judgment in performing his or her responsibilities at jcpenny. All team members are expected to avoid activities, interests or relationships that would create a conflict of interest or the appearance of an impropriety or conflict of interest.

A full and prompt disclosure of facts regarding potential conflicts is necessary to avoid problems.

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenny

2013 STATEMENT OF BUSINESS ETHICS

The determination of whether there is a conflict, or appearance of a conflict, will be made by the Company and not by the team member(s) involved.

For these purposes, "relative" includes your spouse, domestic partner, child, parent, brother and sister and their spouses.

For purposes of this Statement, competitors include any company that offers services or products similar to those offered by jcpenney.

jcpenney may negotiate special discounts on vendor merchandise or services for its team members. Any such discounts that are not part of our benefits programs, must receive written approval from ethics@jcp.com.

Relatives

The possibility of a conflict of interest is at its peak when a relative is involved. Team members must avoid decisions of any kind that involve relatives. Team members should not be in a position to make or influence a decision relating to another company in which both jcpenney and a relative have an interest or could derive a benefit. The same goes for decisions involving organizations where a team member's relative has a business or personal relationship. No relative of a jcpenney team member in a leadership position will be permitted to call on the Company as a representative selling or seeking to sell goods or services unless the matter has been disclosed and approved in advance.

Interest in Competitors

Again, keep your personal interests separate from your business and professional actions. Team members have a duty of loyalty to jcpenney, so they should never have any direct or indirect interest in or involvement with any competitor of the Company if it might interfere with, influence or appear to influence team members in the performance of their Company duties. This specifically includes working for a competitor while working for jcpenney.

Ownership of stock in a competitor will not be deemed a conflict of interest if both of the following conditions exist: (a) the stock is publicly traded, and (b) the amount owned by the team member does not exceed one tenth of 1% of the outstanding shares.

Relations with Vendors

jcpenney selects vendors on the basis of price, quality and performance. Team members must avoid personal, financial or other involvement with a vendor with whom they do, or are likely to do business. Additionally, team members should never purchase products directly from vendors doing business with jcpenney or with whom jcpenney is negotiating to do business unless the vendor has its own retail/service operations and then only at prices available to the general public. Team members are prohibited from using their employment status at jcpenney to request or influence any jcpenney team member, vendor or potential vendor of jcpenney to provide the team member or relative with anything of value (including any preferential treatment or favorable pricing) for the personal use or interest or financial gain of the team member or relative. Vendors should never be solicited to engage in activities outside of the business relationship by team members.

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenney

Solicitations of Vendors for Non-Profit Organizations

We're a Company that cares for our communities. This often includes participation in activities on behalf of non-profit organizations. It is permissible for a team member to solicit a vendor on an occasional basis for a nominal contribution to a recognized charity in a fundraising event. Just make sure to avoid giving any impression that a vendor's contribution is expected in order to maintain its relationship with jcpenny. In no event should vendors be asked to contribute money to a non-profit in exchange for access to jcpenny leadership.

Gifts, Meals, Entertainment and Travel

Good business relationships are built through trust and integrity, not through the exchange of gifts and other favors. Even so, participation in business-related functions, including, on occasion, the acceptance of lunches or other meals, is a normal and permissible business practice. Likewise, occasional entertainment or outings, such as local sports events, dinners, theater performances, or golf dates, may be accepted. On rare occasions, it may be appropriate for travel expenses of team members to be paid by a vendor, but only if the trip is solely for business purposes and is approved in advance by the team member's leader. But, entertainment trips at even partial vendor expense should never be accepted.

Whenever a team member accepts gifts, meals, entertainment or travel, care must be exercised to ensure that such functions serve a business purpose, that their value and frequency are not excessive and that there is reciprocation. In cases where reciprocation does not seem possible, but you believe it is in the Company's interest to attend, you must obtain your leader's approval.

Gifts and gratuities should never influence your judgment or be used to influence another's judgment. If accepting any gift, even of nominal value, would influence your business judgment, you should never accept it. The same is true if you believe the motive is to influence your business judgment.

Loans

Team members should never accept loans from any person or entities having or seeking business with jcpenny except from recognized financial institutions, at the normal interest rates offered at the time of borrowing. In discussing personal financing with banks, no team member should state or imply that the bank's response will in any way affect its relationship with jcpenny. Our business relationships with financial institutions are never to be utilized to influence in any way personal loans to team members.

Your unit or department may have additional requirements about reporting and receiving approval before accepting gifts, meals, entertainment or travel involving vendors. It is a good idea to check with your leader on this subject.

Reciprocate means to give and take mutually. In other words, if a vendor provides you a gift, meal or anything of value, you should return the favor.

"Nominal value" means, generally, not more than \$50 in retail value. If a team member receives a gift with a retail value of \$50 or more from a vendor, he or she should notify their leader immediately.

Non-cash gifts of nominal value generally used for promotional purposes by the donor are acceptable.

2013 STATEMENT OF BUSINESS ETHICS

Former Team Members

We wish those team members who leave jcpenney well, but to protect our Company, we cannot allow them to call on the Company as a representative of a vendor selling or seeking to sell goods or services. Former team members may only do so after one year has elapsed since the former team member left the Company.

Diversion of Corporate Opportunity

A team member should never appropriate to himself or herself, nor divert to any other person or entity, a business or financial opportunity which the team member knows, or reasonably could anticipate, the Company would have an interest in pursuing. [CLICK HERE TO VIEW CONFLICT OF INTEREST VIDEO.](#)

Product Safety

We want everyone to be excited about each and every item on our store floor. But we certainly cannot compromise on product safety. Naturally, jcpenney is committed to safety standards set by law. jcpenney also adheres to safety and quality standards of its own, such as never knowingly selling unsafe products. We also work to minimize hazards from products that inherently entail some risk. Our customers have a right to expect that the products we sell will not endanger their health or safety.

Health and Safety

Every company has health and safety regulations. They are there to protect you and your fellow team members. We have a shared responsibility to follow all safety rules and practices. Team members must cooperate with officials who enforce those rules and practices, to take necessary steps to protect themselves and other team members. This includes your attendance at required safety training and immediately reporting all injuries and unsafe practices or conditions to leadership or to jcpLine. Our goal is to provide all team members with a clean, safe and healthy work environment.

Be Loyal

At jcpenney all team members have a duty of loyalty to the Company. When it comes to our work, our personal actions and decisions must reflect that which is in the best interest of jcpenney and the best interest of our team. These actions and decisions must be unclouded by the team member's private or professional interests in other organizations or persons.

Bottom line: do not take any action that may jeopardize the future of the Company. Doing so could affect you, the Company and your team members.

Requests for exceptions can be made to ethics@jcp.com.

Team members should report any information or complaints regarding the safety of products sold by jcpenney to the Testing and Product Safety team at productsafety-sm@jcp.com.

For further information, please refer to [Environmental Health & Safety](#) and/or [Supply Chain Safety](#).

call	click	write
800-jcp-0063 (800-527-0063)	www.jcpLine.com	333 Research Court Norcross, GA 30092 attn: jcpenney

2013 STATEMENT OF BUSINESS ETHICS

Contacts

Use this Statement of Business Ethics as your first source for information about policies and procedures. For the most current versions, refer to the electronic documents online. If you don't find the answer you need, contact the appropriate resource listed below:

RESOURCE	LINK	CONTACT INFO
Communications		972-431-3400 or jcpnews@jcp.com
Customer File Management Manual	Customer File Management Manual	
Environmental, Health & Safety	Environmental, Health & Safety	
Equal Employment Opportunity (EEO)	EEO Policy	
Ethics & Compliance		ethics@jcp.com
Foreign Corrupt Practices Act (FCPA)	FCPA	
Government Relations/Penney PAC	Government Relations/Penney PAC	972-431-1763
HR Toolbox	HR Toolbox	
Information Security Policy	Information Security Policy	
Information Technology Service Desk (ITSD)		1-800-214-4822
Media Relations	Media Relations	972-431-5500
jcpLine		1-800-527-0063 or www.jcpLine.com
Legal Directory by Topic	Legal Directory by Topic	
Privacy Policy	Privacy Policy	
Product Safety Director		972-431-8257
Store Operations Procedures	Store Operations Procedures	
Supplier Principles	Supplier Principles	
Supply Chain Safety	Supply Chain Safety	