

2019 STATEMENT OF
**BUSINESS
ETHICS**

Dear fellow associate,

JCPenney is a Company driven by service, passion, integrity, and courage. As we continue our efforts to deliver style and value to our JCPenney shoppers, we must remember that the success of our business depends on the trust and respect of our customers, associates, investors and the communities where we operate around the world. We earn trust and respect by demonstrating the highest ethical and business standards in our daily activities. Laws vary throughout the locations where we operate, and while we must always comply with them, we need to go further. A strong ethical culture means going beyond the call of duty. Simply put, at JCPenney, we do the right thing, because it is the right thing to do.

It is important that we each have an internal compass directing us to act with integrity, regardless of the circumstances. The way we conduct our business is governed by the standards and guidelines in our Statement of Business Ethics (SBE). The SBE is designed to help you understand JCPenney’s ethical standards and provide the guidance you need to maintain those standards. I encourage you to read the SBE carefully. While each of us has a duty to always act in the best interest of JCPenney and in accordance with the SBE, do not look at it as a book of rules, but as a valuable resource you can refer to when you need guidance in daily situations.

In addition to your own duty to act with integrity, I expect you to speak up if you see something not quite right or someone acting in a way that could conflict with our values. I know that taking this step can sometimes feel uncomfortable; however, I am committed to promoting a culture where we “get real” and associates feel heard, respected, and valued when they ask questions or raise concerns. There is zero tolerance for retaliation at JCPenney. Please be assured that we will take strong actions against anyone who retaliates against those reporting a concern.

The SBE has the full support of Company leaders and the Board of Directors. You have our pledge that we will uphold our Company’s reputation and maintain the highest standards of integrity, and we expect the same of each of you. Thank you for taking personal responsibility for putting our SBE into practice, and for your continued commitment to making JCPenney a wonderful place to shop and work.

In service of our customer together,



Jill Soltau
Chief Executive Officer



Table of Contents

RAISING CONCERNS	4	BRIBERY & ANTI-CORRUPTION PROHIBITIONS	16
MANAGEMENT AND HUMAN RESOURCES.....	4	BRIBERY OF PUBLIC OFFICIALS.....	17
JCPLine.....	4	COMMERCIAL BRIBERY	17
ETHICS AND COMPLIANCE OFFICE.....	5	POLITICAL ACTIVITIES	18
NO RETALIATION FOR RAISING GOOD FAITH CONCERNS	5	MEDIA RELATIONS	18
WE PROVIDE EQUAL EMPLOYMENT OPPORTUNITIES	5	COMMUNICATIONS	19
HARASSMENT	6	PROTECTION OF COMPANY PROPERTY	19
CONFLICTS OF INTEREST	6	OUR INTELLECTUAL PROPERTY.....	20
RELATIVES.....	7	JCPENNEY'S CONFIDENTIAL INFORMATION	20
INTEREST IN COMPETITORS	8	OTHER COMPANIES' CONFIDENTIAL INFORMATION	21
RELATIONS WITH SUPPLIERS	8	PROTECTION OF CUSTOMER INFORMATION	21
SOLICITATION OF SUPPLIERS FOR NON-PROFIT ORGANIZATIONS.....	9	ASSOCIATE PRIVACY AND PERSONAL ACTIVITIES	22
GIFTS, MEALS AND ENTERTAINMENT	9	RECORD RETENTION	23
LOANS.....	12	SOCIAL MEDIA	23
FORMER ASSOCIATES.....	12	PRODUCT SAFETY	24
TAKING A CORPORATE OPPORTUNITY	12	HEALTH AND SAFETY	24
WE OPERATE ETHICALLY WHERE WE DO BUSINESS	12	THE ENVIRONMENT	25
FINANCIAL INTEGRITY	13	IN CLOSING	26
SECURITIES LAWS	14	AMENDMENTS AND EXCEPTIONS	26
ANTITRUST	15	RESOURCES	27

Raising Concerns

As a JCPenney associate, you have the freedom and responsibility to make JCPenney better every day. Freedom and responsibility begin with fostering a culture of open communication. Sometimes it may seem easier to stay quiet or look the other way when someone violates our policies, but doing nothing can result in serious consequences to you, your fellow associates and the Company. Honest and ethical workplaces are built by dedicated associates who are willing to speak out against unethical or illegal behavior. As an associate, it is your responsibility to report violations of our Statement of Business Ethics, JCPenney policies and the law. Below are several ways that you can express a concern, ask a question or make a suggestion.

Management and Human Resources

Your managers and Human Resources are available to you any time you want to ask questions, express any concerns or make suggestions. This includes questions about hours, schedules and other terms and conditions of your employment. You may raise an issue at any level, but starting with your manager or Human Resources is probably the best first step.

JCPLine

JCPLine is operated by an organization independent from JCPenney. It is another resource — available around the clock — that you can use to raise work-related concerns or other issues, including issues involving ethics, legal compliance, employee relations, accounting, asset protection, safety and environmental practices.

You may contact JCPLine toll-free at 1-800-527-0063, or you may visit www.JCPLine.com. Associates and others outside the United States may call a toll-free or local international number. A directory of numbers by country is available at www.JCPLine.com.

If you choose to raise a concern, 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.

Q: What are my responsibilities as a manager to encourage ethical behavior?

A: First and foremost, lead by example. Discuss ethics and compliance in staff and stand up meetings. By your words and actions, demonstrate to associates that they should feel comfortable asking questions when they have a concern or something just doesn't seem right. A manager should never discourage an associate from talking to any member of leadership, Human Resources or JCPLine. Remind associates that they will not be retaliated against for reporting good faith concerns about potential violations of law, ethics or JCPenney policy.



Q: What happens when a call is placed to JCPLine?

A: JCPLine is answered by an organization independent from JCPenney. A live operator will ask you a series of questions to gather information about your concern and you will be given a case number if you want to follow-up. If you choose, you may remain anonymous when you contact JCPLine. The information you provide will be forwarded to the appropriate department for review and action. Your concerns will be investigated promptly and treated in as confidential a manner as possible.

Q: May an associate call the JCPLine if he/she does not speak English?

A: Yes. The JCPLine has interpreter services that can translate over 200 different languages.

Ethics and Compliance Office

While you are more likely to resolve work-related issues by speaking directly to your manager or Human Resources, you can always contact JCPenney's Ethics and Compliance Office directly at ethics@jcp.com.

No Retaliation for Raising Good Faith Concerns

JCPenney has a strict policy against retaliation, so do not hesitate to raise an issue regarding possible legal, ethical or JCPenney policy violations. Associates who have made a good faith report will not be subject to any adverse action or consequences. Retaliation is **not** tolerated.



We Provide Equal Employment Opportunities

Everyone at JCPenney should and must be treated with courtesy, dignity and respect. We do not compromise on these principles. Current associates and potential candidates must experience equal employment opportunities. This means 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, citizenship, immigration status, disability, pregnancy, genetic information, or any other status protected by law.

Q: I saw a fellow associate doing something that seemed unethical, but I'm afraid to report the suspected violation. Should I be concerned about getting myself or this associate in trouble or harming either of our reputations?

A: No. You should report any suspected violation in good faith. JCPenney will not retaliate against anyone who raises concerns in good faith. Your concerns will be investigated promptly and treated in as confidential a manner as possible. The report made by you and the associate's misconduct being reported are two separate issues that will be dealt with independently of each other. We are all expected to perform our duties with integrity and are accountable for our own actions when conducting business for JCPenney.

Q: Someone in my group used JCPLine to raise a concern about a safety issue. I'm upset that he did not come to me first, so I am not going to promote him. Is this okay?

A: No. We encourage associates to report concerns in good faith, and we do not retaliate against associates who raise concerns in good faith. Deciding not to promote this person because he reported a concern to JCPLine is retaliation that is not acceptable and could lead to your termination. In addition, retaliation is unacceptable no matter which method an associate uses to voice their concern (through management, Human Resources or JCPLine). If you believe you have been retaliated against, please contact one of these resources immediately.



Q: I feel that I'm being discriminated against by my manager. What do I do?

A: All JCPenney associates should have a work environment that's free from discrimination, harassment and retaliation from anyone. If you feel you're being discriminated against by your manager or anyone else, you should speak with your next level of leadership or to Human Resources. You can also contact JCPLine.

Harassment

JCPenney expects our associates to treat each other with courtesy, dignity, and respect. JCPenney will not tolerate harassment and is committed to providing a workplace free of harassment based upon such factors as race, color, religion, national origin, sex, sexual orientation, gender identity and expression, marital status, family status, veteran or active military status, age, citizenship, immigration status, disability, pregnancy, genetic information, or any other status protected by law. Various national, state, local and provincial laws may include additional protected categories. This applies to interactions with associates, customers, suppliers and applicants for employment, and any other interactions where you represent JCPenney.

If you feel that you have been harassed or have witnessed such behavior, report the incident to your manager, Human Resources or JCPLine. If you are a member of management and become aware of an allegation of harassing behavior, you are expected to act promptly and to appropriately notify a member of the Human Resources team. If an investigation confirms improper behavior occurred, JCPenney will take appropriate action, up to and including termination.



Conflicts of Interest

Every single day, JCPenney relies on its managers and associates to uphold its ethical principles, including avoiding conflicts of interest or the appearance of a conflict of interest. A conflict of interest exists when your personal interests interfere with the best interests of JCPenney. While the Statement of Business Ethics includes some examples of conflicts of interest, JCPenney cannot spell out every possible situation that you might face. Instead, JCPenney relies on your good judgment. This means being aware of potential conflicts of interest, where your personal life (activities, relationships or financial affairs) could inappropriately influence, or appear to inappropriately influence, your judgment in performing your responsibilities at JCPenney. Nothing in this or any section is intended, or will be applied, to prohibit you from exercising your rights protected under federal labor law and applicable state law including your right to discuss with other associates or third parties your wages, hours or other terms and conditions of employment.

Q: What is harassment?

A: Harassment is any unwelcome conduct, whether physical, verbal or written. Specific examples of prohibited harassing conduct include, but are not limited to, slurs, jokes, statements, notes, letters, electronic communication, pictures, drawings, posters, cartoons, gestures, and unwelcome physical contact that are based on an individual's protected class.

Q: I overheard a fellow associate referring to another associate using offensive language. What should I do?

A: If you're comfortable doing so in a professional manner, say something directly to your fellow associate. You have a duty to report the associate's offensive language to your manager or Human Resources. You can also contact JCPLine. Upholding our Statement of Business Ethics means sharing concerns, even though it may be easier to look the other way.

Q: There is a manager who routinely makes comments about how women don't do their jobs as well as men. He complains about pregnant associates being slower than the men on his team and gives better assignments to the men on his team, noting that the guys will do the job better and faster than women. What should I do?

A: This is sexual harassment and is a violation of Company policy and will not be tolerated at JCPenney. You should reach out to your General Manager, another member of your management team, or Human Resources or contact the JCPLine.

Q: Can I work for JCPenney's photo studio (Lifetouch) and at a JCPenney store?

A: No. You would not be able to work at one of JCPenney's photo studios and at a JCPenney store at the same time. JCPenney associates are not allowed to work for a JCPenney vendor and JCPenney as it would create a conflict of interest as well as raise labor and employment concerns.

Q: May I serve on the board of directors of an outside enterprise or organization?

A: If you plan to serve on a board, you must obtain approval from your manager, make a full and prompt disclosure through the Associate Kiosk and wait for a response before accepting the position. In addition,

You need to make a full and prompt disclosure of facts regarding actual or potential conflicts, even if you are in doubt about whether a conflict exists. To make a disclosure, submit a disclosure form through the Associate Kiosk. The determination of whether there is a conflict, or appearance of a conflict, will be made by the Company, and not by the associate(s) involved. You must receive approval from the Ethics and Compliance Office **before** you take any further action. For other concerns, you may contact the JCPenney Ethics and Compliance Office directly by emailing ethics@jcp.com.



Relatives

The possibility of a conflict of interest is at its peak when a relative is involved. You should not use your position at JCPenney to influence your relative's position at JCPenney; nor should you 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 benefit. The same goes for decisions involving organizations where your relative has a business or personal relationship. If in doubt or you are concerned about a perceived conflict, it is your responsibility to disclose such relationships. No relative of a JCPenney associate in a leadership position will be permitted to call on JCPenney as a representative selling or seeking to sell goods or services unless the matter has been disclosed and approved in advance by the Ethics and Compliance Office. For more information, please review the Company's **Employment of Relatives Policy**.

officers must obtain the approval of their manager and the CEO before accepting a position on the board of directors of a private or publicly traded company as well as any charitable organization. For further guidance on how to make a disclosure, [click here](#).

Q: I want to start my own business while working my full-time job with JCPenney. Is this allowed?

A: It depends on your position and job responsibilities with JCPenney and the type of business that you are starting. For example, a business that offers similar services or merchandise as JCPenney offers could be considered a conflict of interest between your personal interest and JCPenney. **Before you engage in another endeavor, you should tell your manager, make a full and prompt disclosure through the Associate Kiosk and wait for a response. For further guidance on how to make a disclosure, [click here](#).**

Q: I have a second business with my wife running a flower shop. Can I use my JCPenney email and my JCPenney issued computer for my outside business?

A: No. You should not use your JCPenney email or your Company issued computer for your outside business. By using Company assets for personal business, others might get the impression that JCPenney somehow endorses your business or that you are speaking for the Company. The Statement of Business Ethics also states that Company assets should be used for JCPenney's benefit and not for the personal benefit of associates. If you are using your JCPenney email address for personal business, you must change it to a personal email immediately.

Q: I would like to work part time on the weekends at a local department store to make extra money for the holidays. Is this a conflict?

A: It depends. **Before starting a second job, you should tell your manager, make a full and prompt disclosure through the Associate Kiosk about the second job and wait for a response before starting the second job.**

Q: My brother is a potential supplier who wants to do business with JCPenney. Is he allowed to perform services for JCPenney?

Interest in Competitors

You have a duty of loyalty to JCPenney, so you should never have any direct or indirect interest in or involvement with any JCPenney competitor if it might interfere with, influence or appear to influence you in the performance of your Company duties. This specifically includes management associates who would like to work for a competitor while also working for JCPenney.

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

Relations with Suppliers

Our Company selects suppliers on the basis of price, quality and performance. You must avoid personal, financial or other involvement with a supplier with whom you do, or are likely to do, business on behalf of JCPenney. Additionally, you should never – for your own or anyone else's personal use, interest or financial gain – purchase products directly from suppliers doing business with JCPenney, or with whom JCPenney is negotiating to do business, unless the supplier has its own retail or service operations and then only at prices available to the general public. JCPenney may negotiate special discounts on supplier merchandise or services available to all associates. Any other discounts that are not part of our benefits programs must receive prior written approval from the **Ethics and Compliance Office**.

You are prohibited from using your employment status at JCPenney to request or influence any JCPenney associate, supplier or potential supplier to provide you or anyone else with anything of value (including any preferential treatment or favorable pricing) for your or anyone else's personal use, interest or financial gain. Except for nominal, voluntary contributions to charity as discussed below, you should never solicit suppliers to engage in activities outside of their business relationship with JCPenney.

A: It depends. Your brother may approach JCPenney to offer his services as long as you have no responsibility for procuring these services and you have no involvement in the selection process. His company will need to go through the established supplier selection process and meet JCPenney's criteria. You should tell your manager about the situation and make a full and prompt disclosure through the Associate Kiosk. Finally, your brother should disclose your relationship during the supplier selection process. For further guidance on how to make a disclosure, [click here](#).

Q: May my sister apply for a job opening in my unit?

A: Yes. Your sister may apply as long as neither of you would have a reporting relationship with each other, neither would have any Manager on Duty responsibilities, oversight authority or business influence over the other (such as in Asset Protection or Human Resources) and you do not influence the hiring or career decisions. You should tell your manager about the situation and make a full and prompt disclosure through the Associate Kiosk. For further reference, please see the [Employment of Relatives Policy](#).

Q: A supplier I work with offered to make uniforms for my son's soccer team at cost. Is that okay?

A: No. This would be considered using a business relationship to further a personal interest; this is a conflict of interest and prohibited.

Q: I am helping select a supplier for a new project. I have learned a lot about the suppliers involved in the bidding process and I am thinking about purchasing 100 shares of stock in one of the companies that put in a bid. Should I be concerned about any ethical issues?



Solicitation of Suppliers for Non-Profit Organizations

At JCPenney, we care about our communities, and many of our associates participate in activities on behalf of non-profit organizations. While it may be permissible for you to solicit a supplier on an occasional basis for a nominal contribution to a recognized charity in a fundraising event, you should make it clear that any donation is voluntary and you should never give a supplier the impression that a contribution is expected in order to maintain its relationship with JCPenney. In no event should suppliers be asked to contribute money to a non-profit in exchange for access to JCPenney business or leadership.

Gifts, Meals and Entertainment

This Gifts, Meals and Entertainment section applies to U.S.-based associates who do not travel or work internationally. Associates in locations outside of the U.S. and U.S.-based associates who travel or work internationally must follow the guidelines established by the **International Gifts Policy**.

Good business relationships are built through trust and integrity, not through the exchange of gifts and other favors. We should avoid any actions that might create a conflict of interest or the appearance of a conflict of interest. Except as expressly permitted below, associates may **not** give, solicit, accept, or receive gifts, meals or entertainment, and this applies to anything given or received as the result of an actual or potential business relationship.

A: Your stock purchase would create a conflict of interest because owning stock in the potential supplier might influence, or appear to influence, your decision-making process. In general, a conflict exists when an associate's duties or position enable her to influence JCPenney's decision about acquiring goods, services, supplies, properties or facilities from an organization in which the associate has an interest. In addition, if the supplier is publicly traded, and you received material, non-public information about the supplier in connection with the JCPenney bidding process, you could be violating federal securities laws by going forward with the transaction. For further reference, please see the **Insider Trading Policy**.

Q: I have managed the relationship with a sales representative of a JCPenney supplier. During this time, we have become friends and regularly meet outside of work to catch up over dinner and attend other social and family events. We rarely discuss business unless something out of the ordinary is going on. Do I need to notify anyone of this relationship?

A: Yes. The relationship could create a conflict of interest or the perception of a conflict of interest. You should make certain that you are in compliance with Gifts, Meals and Entertainment provisions of this Statement of Business Ethics. Further, you should tell your manager, make a full and prompt disclosure through the Associate Kiosk about the relationship and wait for a response. For further guidance on how to make a disclosure, **click here**.

Q: I am attending a conference that is sponsored by one of our suppliers but also charges a registration fee that will be paid by our Company. Do I need to get approval to attend under this policy?

A: This policy does not require the designated **approver** in your unit to approve if our Company is paying for the registration and travel. However, you should follow the **Travel and Expense Policy** and any other department approval process.

Q: I have a good friend who works for a JCPenney supplier and we have lunch together on a regular basis. This is just lunch with a friend and not something the Company needs to know about, right?



Some exceptions:

- **Nominal gifts:** Modest gifts such as t-shirts, inexpensive pens, mugs, calendars, note pads, charging devices or other promotional gifts (typically with a supplier logo) may be accepted, as long as the value of the gift does not exceed \$25. This applies to gifts awarded through random drawings or raffles conducted by suppliers.
- **Non-cash, perishable gifts:** As long as you share them with your department, you are allowed to accept gift items such as gift baskets, cookies, chocolates, or flowers.
- **Business meals:**
 - **Not at a JCPenney facility:** It is preferable that associates pay for their own meals when dining with suppliers. However, as long as they are infrequent and not extravagant and there is the opportunity for reciprocity, meals outside a JCPenney facility that serve a business purpose are not considered gifts or entertainment, and may be accepted. It is critical that any business meal not create a sense of obligation or result in favored treatment of a supplier or business partner. When judging whether a meal is extravagant, consider the applicable individual per diem for the city where the meal occurs.
 - **At a JCPenney facility:** If a supplier brings a meal or food into a JCPenney facility, it must first be approved by your designated **approver**.
- **General/Industry events:** Events such as receptions or dinners where multiple clients or potential clients are invited may be accepted.
- **Entertainment:** It is preferable that associates pay for their own entertainment. However, as long as it is infrequent and not extravagant, you may accept an invitation from a supplier to a sporting, concert, theater or similar event in which the supplier is also attending and where business will be discussed. Before accepting, you must obtain prior written approval from your designated **approver**.
- **Third-party training, conferences or business-related travel:** It is preferable that associates use company funds for training, conferences or business-related travel. However, some training or conferences funded and conducted by third parties may also be accepted if they serve a business purpose and you have received prior written approval from your designated **approver**. Similarly, supplier-paid travel for a business meeting may be accepted with prior written approval from your designated **approver**. In addition, once approval has been provided, associates are asked to send details (including but not limited to dates, value of trip, third party sponsoring trip, business purpose and approving manager) of the third-party training, conference or business-related travel to ethics@jcp.com.



A: It depends. Even over lunch, you are still a representative of JCPenney and your friend represents her company, too. You should never share confidential Company information. In addition, you should not use your position at JCPenney or your friend's position with the supplier to influence business between the supplier and JCPenney. If business is discussed during the lunch, then you should follow the business meals section of this policy.

Q: A supplier offered me and another JCPenney associate two tickets to our local sports team's next game. The supplier cannot attend; my fellow associate and I thought we would just go by ourselves. Should we accept the tickets?

A: No. Because the supplier will not be with you at the game, there can be no business purpose for this outing. If the supplier attends, you should seek prior approval from your designated **approver**.

Q: A supplier invited me to a business trip with him and offered to pay for the trip (airfare and hotel stay). May I accept the supplier's offer?

A: Not without the prior approval of your designated **approver**. If this is a business trip for a legitimate business purpose and the travel expenses are reasonable, then it may be permissible under the Statement of Business Ethics. It is up to your designated **approver** to decide whether it's in JCPenney's best interest for you to go on the trip at the supplier's expense.

Q: At a business meeting, a supplier offered me the latest computer tablet and said he really enjoyed doing business with JCPenney. May I accept it?

A: No. You must politely decline it and explain to the supplier our policy that accepting a computer tablet is not allowed under our Statement of Business Ethics. If the tablet is shipped unsolicited to your work, you must donate it through Philanthropy's procedures or send it to your department's designated **approver**.

Q: I have a store front on eBay to earn extra money. Am I doing anything wrong?

A: Possibly. You would not be allowed to take JCPenney business by purchasing merchandise from JCPenney for the purpose of reselling these items on your eBay store front. You should tell your manager and make a full and prompt disclosure through the Associate Kiosk about this activity.



Not okay:

- Cash, cash equivalents, or gift cards, regardless of value
- Gifts of alcohol, such as bottles of wine or liquor, or tobacco
- Tickets to events where the supplier is not present
- Gifts that are more than \$25 in value
- Leisure travel (that is, travel that is not primarily for a business purpose)
- Requesting or soliciting any gifts, meals, entertainment or travel

Gifts, meals, entertainment and travel should never influence your judgment or another's judgment. If accepting any of the above — no matter what value — would influence your business judgment, you should not accept it.

If you receive an unsolicited gift that is not covered by the above guidance, advise your manager and forward the gift to **Philanthropy** to donate to a Company preferred charity. Alternatively, the designated **approver** in your unit may approve an alternate disposition of the

gift that does not cause a conflict of interest, such as using the gift in a department-wide drawing or raffle. Advise the supplier that Company policy prohibits acceptance of such gifts and that the gift has been donated. If you are a store associate, give the gift to your General Manager to donate. Remember, you must follow all other Company policies, including the **Travel and Expense Policy**. Your unit or department may have additional requirements about reporting and receiving approval.

If you receive a gift that is allowed under this policy but you do not wish to keep it, **click here** to donate to a Company preferred charity.

For questions about donating goods, please contact **Philanthropy**.



Loans

You should never accept loans from any persons or entities having or seeking business with JCPenney, except recognized financial institutions in the normal course of business, at the normal interest rates offered at the time of borrowing. In discussing personal financing with banks, you should not state or imply that the bank's response will in any way affect its relationship with JCPenney. Our business relationships with financial institutions should never in any way be used to influence personal loans to you or anyone else.

Former Associates

JCPenney has had many talented people work for it in the past. While we appreciate their contribution and wish them success, we must avoid making any Company decisions that may be based upon our personal relationships with those former associates. To help us follow this guideline, we must follow this simple rule: former JCPenney associates who leave JCPenney may not call on JCPenney as a representative of a supplier selling or seeking to sell goods or services until at least one year has elapsed since the former associate left JCPenney.

Taking a Corporate Opportunity

You should never take for yourself, nor divert to anyone else, a business or financial opportunity that JCPenney may have an interest in pursuing.

We Operate Ethically Where We Do Business

Not only do we comply with JCPenney 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 applicable laws are followed. No officer, associate, or director of the Company has authority to engage in conduct that violates applicable laws and regulations of the United States or other lands where we do business, or to authorize or direct such conduct by others. As we all know, violation of laws can result in corporate and personal criminal and financial liability and penalties, as well as damage to our Company's reputation.

We also require our suppliers to comply with all laws and our business ethics principles. For further information, see JCPenney's [Supplier Principles](#).



Q: My manager wants me to submit an invoice for \$20,000, but she only has approval authority up to half that amount. Can I divide the invoice into two payments of \$10,000 so that I won't have to get approval from someone with greater authority?

A: No. You need to first obtain the appropriate approval. If you are uncomfortable challenging your manager in a professional manner, report the incident to your manager's manager, Human Resources or the JCPLine. For further reference, please see the [Approval Authority Policy](#).



Financial Integrity

The integrity of JCPenney's financial records and reports is essential. JCPenney associates, shareholders, potential investors, regulatory agencies, lending institutions and others depend on the accuracy of such information. JCPenney strives to fully, accurately, timely and fairly report all financial transactions in its accounting records and published financial reports.

We must maintain books, records and accounts that, in reasonable detail, accurately and fairly reflect JCPenney's business transactions. False, inaccurate or misleading entries and inappropriate omissions are prohibited. You should not participate in or ask anyone else to participate in such activities. No JCPenney fund, asset or account may be established or acquired for any purpose unless that fund, asset or account is accurately reflected in JCPenney's books and records.

The Audit Committee of JCPenney's Board of Directors has established complaint procedures for the confidential and anonymous submission of information by associates and other persons to report questionable accounting, internal accounting controls or auditing matters. Reports may be made through the JCPLine or by mail at:

J. C. Penney Company, Inc.
P. O. Box 250335
Plano, Texas 75025-0335
Attention: Vice President - Audit



- Q:** My manager told me to mark down items to zero, but leave them on the shelves because it will "help out with inventory." Can I do this?
- A:** No. This would result in JCPenney having inaccurate records and could also affect the store's performance. If you're being instructed to do this, contact your manager's manager, Human Resources or the JCPLine.
- Q:** Lately our store has been very busy, and it's been difficult to complete all the tasks assigned to our area. At the morning meeting, our managers told us that if we can't finish all of our assigned tasks, we may have to stay after punching out and finish working off the clock. Do we have to do this?
- A:** No. No hourly associate, including hourly supervisors, should ever be asked to work off the clock. Working off the clock is a violation of JCPenney policy. Your time records must always accurately reflect the hours you actually worked. Any requests to work off the clock must be reported to your manager's manager, Human Resources or the JCPLine.
- Q:** I am a Buyer and I called a supplier to request an allowance of \$2 million in the current quarter due to higher than expected markdowns. The supplier says they will give us the allowance but only if I place an order for twice as much product in the upcoming season because the supplier is in a cash bind. Our documentation supporting the allowance indicates it is for markdown support, but do I need to include a reference to the additional purchase provision?
- A:** Yes. Without including information about the additional purchase requirement, your documentation does not accurately describe the nature of the allowance, and therefore violates Company policy. Inaccurate or incomplete information on a deal like this may also cause the Company's financial reporting to be false.





Securities Laws

As JCPenney associates, we work on many projects, some of which are not disclosed to anyone outside of JCPenney. Trading in JCPenney securities when you have such information, or sharing JCPenney internal information with someone who buys or sells our stock, can lead to serious consequences, including civil and criminal liability and penalties, as well as termination of your employment.

As an associate, you should never engage in transactions in JCPenney or another company's securities (including through the 401(k) Savings Plans) when you have material information not available to the public. Likewise, you should never give undisclosed "inside" information to others (including family members, current and former associates, suppliers and other business contacts) for their use in transactions in JCPenney's or another company's securities. Within JCPenney, you should only discuss or disclose material non-public information when needed to conduct JCPenney business and when you have no reason to believe that the information will be misused or improperly disclosed by the recipient.

In addition, you may not participate in the following activities, which are inconsistent with your duties to JCPenney:

- Enter into options trading or short selling, or other similar derivative transactions, in JCPenney securities;
- Enter into hedging transactions, such as zero-cost collars (options) and forward sale contracts in which you continue to own the underlying JCPenney security without the full risks and rewards of ownership; or
- Purchase JCPenney shares on margin, hold JCPenney shares in a margin account or pledge JCPenney shares as collateral for a loan.

Q: I am slipping behind on my bills and need to get some money out of my 401(k) funds. I've heard I can apply for a "hardship withdrawal" from my 401(k) if I have an eviction notice from my landlord, but I don't want to wait until my financial situation is that desperate. Can I or another associate create a "mock" eviction notice to support my application for a "hardship withdrawal"? After all, the money in that fund is my money.

A: No. The "hardship withdrawal" process requires that you provide an actual eviction notice from your current landlord. Creating a fictitious eviction notice to support your application for a "hardship withdrawal" would not only violate that process, it would put your employment at risk. JCPenney's Statement of Business Ethics and Performance Improvement and Corrective Action Policy provide that falsification of any Company document or other record used by the Company is grounds for immediate termination of employment.

Q: I was planning on selling JCPenney stock, but I just found out about some information not available to the public. Can I still make the trade?

A: Probably not. If you buy or sell Company stock while aware of material non-public information, you will be considered to have traded on the basis of that information even though it was not a significant factor in your trading decision. Please review the JCPenney Insider Trading Policy for additional guidance. If you have additional questions, contact the Legal Department.

Q: My wife told our neighbor that I was working late on the launch of a new brand of clothing. A week later we announced the brand launch and our Company's stock price rose substantially. I learned later that my neighbor bought our Company stock before the announcement. I never had any conversation with this neighbor directly. Have I violated our Company policy?

A: Possibly. By telling your wife, who then told your neighbor, about the nature of the assignment you were working on, you indirectly tipped your neighbor. JCPenney takes a serious view of such violations. So do the federal and state authorities. You should discuss the situation with the Legal Department promptly.



Q: What is considered material information?

A: Information is considered material if it would be expected to impact a reasonable investor's decision to buy or sell JCPenney 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 JCPenney securities, as well as the securities of publicly traded companies with whom JCPenney has business relationships, are more fully set out in the JCPenney [Insider Trading Policy](#).

Q: I have been invited to attend the annual meeting of an industry "working group," which includes representatives from competing retailers. The purpose of the meeting is to discuss best practices and industry standards in our field. The event organizers told me that there will be breakout sessions when participants will be able to discuss our companies' current practices, such as the prices we charge suppliers. Are there special issues involved when attending an event like this?

A: Absolutely. Although participation in "working groups" may be in the Company's interest, it can raise sensitive issues, so you should contact the [Legal Department](#) before you participate. Some of the activities that you described would violate JCPenney policy and could even be an antitrust violation. You must not disclose JCPenney proprietary information to other participants in the group. Likewise, you must refuse to discuss with other members of the group any Company-specific pricing or promotional information. In addition, you must not agree with any other members to work with, or to refuse to work with, suppliers or take punitive action against specific retailers or suppliers for any reason. If issues such as these are raised, you should contact the [Legal Department](#). Sidebar conversations between attendees on these sensitive issues should be avoided.

Q: I'm a recruiter for JCPenney, and someone at another company reached out to me and suggested that we enter into an arrangement where the other company will agree not to recruit JCPenney associates if we agree not to go after any of their employees. Is this okay?

Antitrust

Our Company believes in free and fair competition and obeys all antitrust laws, also known as competition laws. These laws protect consumers by promoting competition in areas such as pricing, service, merchandise selection, quality and innovation. JCPenney does not act in ways that suppress competition, such as price fixing, allocation of markets or allocation of suppliers. Price fixing occurs when two or more competitors agree to set a price. Allocation of markets or suppliers occurs when competitors agree to split up suppliers, products or customers (for example, by geography), to avoid competing against each other in those areas or markets. You must avoid agreements with competitors or suppliers that would have any of these or other anticompetitive effects. When participating in industry or benchmarking groups, you should avoid sharing information or making agreements that would limit competition. Violations can lead to serious consequences for both JCPenney 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. 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 legal exceptions to these principles that require prior approval from the **Legal Department**.

A: This kind of “No Poaching Agreement” could violate antitrust laws, which could then subject JCPenney to civil - and even criminal - liability. Because JCPenney competes with other employers in the job market when it recruits potential employees, the Company must be careful not to enter into any agreements that are, or could lead to, anticompetitive behavior.

Q: A JCPenney buyer has a good friend who works for a competing retailer. The buyer’s friend suggests that if she could get JCPenney to charge more for their new summer collection, he would ensure that his company would charge the same amount for a similar line. Should the buyer agree to this strategy?

A: No. If the buyer were to enter this type of agreement, she may be guilty of what is known as “price fixing.” This is a violation of competition laws and may carry severe penalties for both the buyer and JCPenney.

Q: We use an agent to facilitate relations with local government officials. Recently he asked us to increase his commission, and I suspect he wishes to pass this money on to the local officials. What should I do?

A: If you suspect that the agent is making illegal payments on JCPenney’s behalf, JCPenney is under an obligation to investigate whether this is the case and to halt any such payments. You should report your suspicions to your manager and the **Legal Department** or ethics@jcp.com immediately. Never turn a blind eye to a possible violation.

Q: I’ve arrived at the airport in a foreign country and have been denied entry because my passport has been found deficient. May I make a small payment, equivalent to US \$5.00, to the immigration officer to be allowed into the country?





Bribery of Public Officials

No JCPenney assets 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. Not all bribery takes the form of cash payments. It can take the form of gifts, travel, entertainment, employment, sporting events, merchandise samples, 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. Cash is never an acceptable gift and giving or receiving cash may be viewed as a bribe or kickback and is against JCPenney policy.

You may not give, promise, offer or authorize, directly or indirectly, any payments to government officials of any country. Even relatively nominal gifts, services to and/or improper entertainment of government personnel or their family members are prohibited because they may be viewed as attempts to influence government decisions in matters affecting JCPenney. This prohibition applies to any payments or thing of value received through consultants, suppliers or other third parties on JCPenney's behalf.

Commercial Bribery

You 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, you 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 JCPenney.

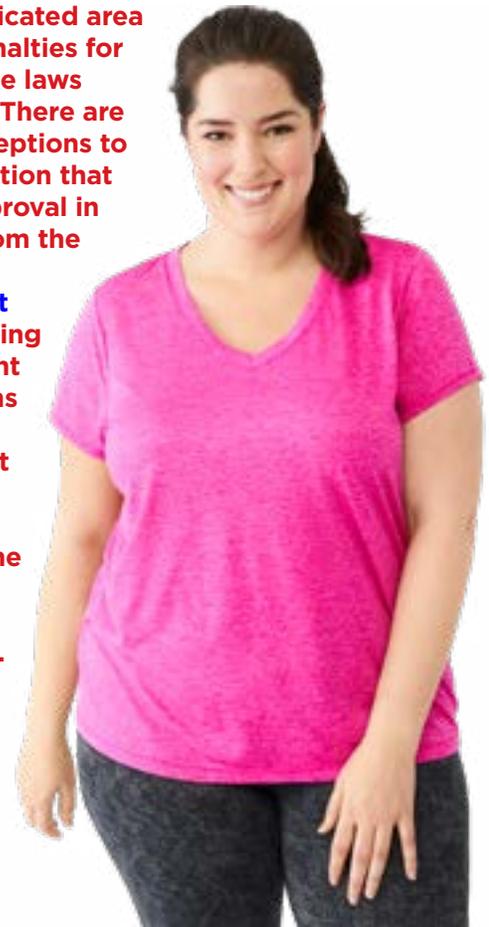
A: In most cases, no. Except in very limited situations you may not make a payment of cash, no matter how small, or provide anything else of value to a government worker in order to get around your deficient passport status. Before traveling overseas, make sure all documentation is complete. If you are involved in a situation and you are reasonably fearful for your personal safety, do what you have to do to protect yourself. When you feel safe, you should immediately notify your manager and the **Legal Department** of the situation.

Q: Who is considered a government official?

A: A government official is any official or employee of a government or public international organization (including departments or agencies of those governments or organizations) or any person acting in an official capacity. Also included are employees of a state-run or state-owned business, such as a public utility.

Q: I was told I have to pay extra to a customs official to clear our products through customs. Can I do this?

A: No. Laws of most countries prohibit such payments under any circumstance and the Company prohibits making such payments in any country. This is a very complicated area and the penalties for violating the laws are severe. There are limited exceptions to this prohibition that require approval in advance from the **Legal Department** before making any payment to a customs or other government official, and proper record of the payment must be maintained.



Political Activities

You should feel free to become involved in political affairs and the political process if you are interested, but please do not bring your activities to work. Such activities must be restricted to your personal time, resources and facilities. You may choose to make a political contribution or participate in the political process or choose to avoid doing so. These choices will not impact your employment.

If you wish to hold public office, whether elective or appointed, the potential for a conflict of interest, or the appearance of a conflict, must be taken into account. Therefore, you should consult the **Government Relations Policies** and must disclose the intent to seek public office to your manager and through the **Associate Kiosk**. You must receive approval before initiating any action.

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. JCPenney'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. All proposed contacts, payments, donations or services in any of these areas must be reviewed in advance and approved in writing by JCPenney's Government Relations Department. For more information about political involvement, review the **Government Relations Policies** or visit the **Government Relations/Penney PAC** website, or email grgroup-sm@jcp.com.

Media Relations

You may not respond on behalf of JCPenney to inquiries (written or verbal) from media (print, broadcast or online), news organizations, trade publications or any other source without prior approval from Media Relations. If you talk directly to reporters on JCPenney's behalf without going through Media Relations, you run the risk of providing incorrect information, revealing proprietary strategies or damaging our Company's reputation. Instead, direct all media inquiries to Media Relations at 972-431-3400.

Q: I've identified a trade association that might benefit my unit and I want to have JCPenney join. Can I?

A: Prior to using Company funds to join a trade association, you must consult with Government Relations. Upon joining any association, a copy of the dues invoice must be provided annually to Government Relations for state and federal reporting requirements (**Reporting Memberships Policy**) and you must keep Government Relations advised to assure consistency with Company policy and interest. See **Policy on Legislative Activity of Trade Associations** for further details.

Q: I'm attending a town hall meeting held by my congressional leader and intend to ask a question regarding trade issues important to JCPenney. What should I do to prepare?

A: You should coordinate and get clearance from Government Relations. If your questions/concerns are unrelated to JCPenney, you do not need to contact Government Relations. See **Policy on Interaction with Elected Officials** for further details.



Communications

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

Our shareholders, customers, suppliers and communities all need to know that they can trust us to do what is honest and right. You should not intentionally manipulate or misrepresent information communicated to other associates, our shareholders, customers or suppliers or the public.

Protection of Company Property

Our Company spends considerable resources to develop and maintain assets used for its business. We each have a responsibility to comply with all policies and procedures that protect the value of these assets and avoid situations that may harm JCPenney's reputation or create financial liability. Anything developed for JCPenney is owned by JCPenney. JCPenney assets are acquired, used and disposed of for the benefit of JCPenney and its shareholders and never for the personal benefit of associates. This includes tangible assets such as cash, inventory, equipment, supplies, displays and samples and intangible assets such as intellectual property (trademarks, copyrights, trade secrets and patents), strategic plans and processes and the data and information to which you have access as a result of your work responsibilities.

Any act of theft, fraud, embezzlement or misappropriation of JCPenney property is strictly prohibited and will not be tolerated. JCPenney funds or assets should never be used for unlawful purposes. In addition, you should never take or make available to others any JCPenney property for reasons that do not support JCPenney's business.

Q: I'm concerned that a piece of JCPenney merchandise may include components that are listed as hazardous in California. The supplier says not to worry about it. What should I do?

A: You should consult the **Legal Department** to determine whether the item complies with relevant laws including California Proposition 65, which requires warnings such as labeling of items, in some circumstances and may bar us from selling items that contain a prescribed amount of certain chemicals that are considered hazardous under California state law.

Q: My friend is interested in starting a small arts and crafts boutique online. I want to share with her some of our .com strategy documents to use as a template for her business plan. Can I share this information with my friend?

A: No. Sharing JCPenney's .com strategy, or documents which are confidential and proprietary, with your friend would be a violation of the Statement of Business Ethics.

Q: My fellow associate asked me to share software that we use in our department. I have the software but I also know where it can be downloaded for free. Should I help him out?

A: Never copy any technology without first receiving proper approval, even for business use. Copying the software may violate our license agreement with the provider and might also be a violation of federal copyright laws. All requests for software should follow JCPenney's approved Software Hardware Request (SHR) process which may allow you to download software via self-service software available on JCPWEB. Additionally, the **JCPenney Information Security Policy** prohibits associates from downloading or installing software on JCPenney Electronic Resources unless authorized by JCPenney and downloaded through an authorized distribution method. This policy helps manage licenses and protects JCPenney Electronic Resources from malicious code (e.g., viruses, Trojans, spyware).



Our Intellectual Property

JCPenney values and protects its intellectual property assets, including its trademarks (brands, slogans and logos), copyrights (creative designs, patterns, software, audio and video recordings, photos and images), trade secrets (non-public information that provides a competitive or economic advantage) and other innovations. Inventions, designs, patterns or innovations conceived or devised by you, other associates or third parties working on behalf of JCPenney are a major point of pride for our business. 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 you, other associates or third parties working on behalf of JCPenney, (b) results from the use of Company time, facilities, equipment or supplies or (c) arises out of or is suggested by the use of JCPenney resources, trade secrets or confidential information. When an invention, design, pattern or other innovation or intellectual property is deemed an asset of JCPenney, you must assign it and all related rights to JCPenney.

JCPenney's Confidential Information

You may not disclose to others or use for your benefit, or for the benefit of another, any JCPenney confidential information without appropriate pre-authorization. JCPenney confidential information includes, without limitation, its trade secrets, plans and strategies regarding suppliers, pricing, marketing, customers, short-term and long-term plans, acquisitions and divestitures, advertising, information systems, sales objectives and performance, as well as any other proprietary or non-public information, the disclosure of which may provide a competitive or economic advantage to others or disadvantage to JCPenney. Even within JCPenney, confidential information should only be shared on a need-to-know basis.

Your obligation to preserve JCPenney confidential information continues even after your employment ends. If you take JCPenney confidential information with you when you leave JCPenney, or if you access or disclose JCPenney confidential information without authorization, you may be subject to criminal and/or civil liability.

Nothing in this or any section is intended, or will be applied, to prohibit you from exercising your rights protected under federal labor law, or any employment law of your state, including your right to discuss with other associates or third parties your wages, hours or other terms and conditions of employment.

Q: I am a designer and would like to use some of the art I have created for my professional portfolio. Is this okay?

A: **Maybe. Remember that all inventions, designs, patterns or innovations created while working at JCPenney belong to JCPenney. In some cases, it may be okay to include designs created while working for JCPenney in your professional portfolio, but only if you first get the approval of your manager, and only if the design is an older design, and never a work in progress.**

Q: I developed a new product for JCPenney. I would like to sell a new product, based on the same designs and my work at JCPenney, to local businesses. Can I do this?

A: **No. Any creation or innovation developed by you while you were working for JCPenney belongs to the Company if it's based on work you did for the Company, even if the design is not identical. In addition, the Statement of Business Ethics prohibits you from competing with the Company or pursuing an opportunity that could be pursued by the Company.**

Q: I have access to information about JCPenney's sales results. I occasionally visit an Internet message board devoted to issues affecting the retail industry. Can I post my opinions, including a prediction that JCPenney will beat earnings estimates while one of our competitors will fall short? Would it make a difference if I post anonymously?

A: **You should not post this information at all - anonymously or otherwise. By disclosing non-public information, your post would violate Company policy on safeguarding Company information.**



Other Companies' Confidential Information

As an associate, you must also protect other companies' confidential information. You should never disclose or use the confidential information of any of your previous employers or of any other company in conducting business on behalf of JCPenney. Further, you must protect confidential information of companies conducting or hoping to conduct business with JCPenney.

Protection of Customer Information

JCPenney values the trust of our customers. We recognize and respect the privacy of our customers' personal information. Therefore, every associate is responsible for knowing what customer personally identifiable information (PII) is and for treating information about our customers with extreme care. PII can cover specific data elements or combinations of information, such as: name; date of birth; social security number; addresses (physical and email); phone number; government issued ID number; biometric information (e.g., photograph, signature or fingerprints); account numbers (credit/debit cards or bank accounts); precise geolocation data; and persistent data, such as device IDs, IP addresses or JCPenney's own Customer ID and Virtual ID.

Every associate is responsible for complying with JCPenney's **Data Privacy Policy**. Your responsibility for protecting our customers' information includes taking appropriate steps to prevent the unauthorized collection, use, or disclosure of their PII. You should only use or disclose customer information to others, whether fellow associates or third parties, as needed for authorized JCPenney business purposes, such as when sharing with third parties who have appropriate contracts and in accordance with applicable laws, regulations and JCPenney policies.

You are also responsible for the appropriate disposal of all forms of customer information, including PII. If you have questions about your responsibilities or the proper processing of customer personal information, please contact the JCPenney **Privacy Office**.

Q: When I joined JCPenney, I brought several documents with me from my previous employer that will help me do what I was hired to do. Can I use them at JCPenney?

A: **If the documents contain confidential or proprietary information, you cannot use the information or share it with others at JCPenney. JCPenney expects all associates not to rely on the confidential information of others. Violating this rule may be unlawful and can subject you and the Company to liability. If you are unsure, talk to a member of our [Legal Department](#) before using or sharing information.**

Q: I'm going on vacation and I want my fellow associate to be able to respond to emails for me. Can I leave her my password, and then reset it as soon as I return?

A: **No. You should not share your password with anyone.**

Q: I received a call from someone who says she is a JCPenney Vice President of Human Resources and asked that I send her a list of the associates in my group, including home addresses, phone numbers and Employee ID numbers. What should I do?

A: **Use caution. Social engineering scams - i.e., contacting others and pretending to be someone they are not - can be one way that individuals obtain private personal information about others. Never give out or confirm any personal information about JCPenney associates over the phone, even if the individual claims to be a JCPenney associate.**

Q: I am an associate, and I have access to customer information. What guidelines should I follow to keep it protected?





Associate Privacy and Personal Activities

Under our **Data Privacy Policy**, JCPenney and its associates also have a duty to protect and handle with care, the private personally identifiable information (PII) of all associates. We must prevent the unauthorized access to, use of and disclosure of this information. This duty also includes the appropriate disposal of all forms of private personal information. Never disclose or use the private personal information of another associate without first obtaining that associate's consent.

A: Associates who use customer information must follow the **Customer Information Management** policies and our **Data Privacy Policy** for procedures related to the use of information about customers and the **Information Security Policy** for guidance about confidentiality of customer information.

Q: I moved some Company files on to a flash drive, but I've misplaced it. The files may contain customer information. Do I need to do anything?

A: Yes. Personal information should not be stored on flash or thumb drives as they are easily lost or stolen. You need to immediately report lost or stolen personally identifiable information to your manager and call the **Information Technology Service Desk (ITSD)** at 1-800-214-4822. For additional information, refer to the **Information Security Policy**.

Q: Our store received a call and the caller identified himself as being from Asset Protection. The caller said that a credit card had been used fraudulently in our store earlier in the day and the caller needed the account numbers of other bankcard transactions rung at our store. What should I do?

A: Never give out credit card numbers over the phone. Immediately report the call to your manager and the **Information Technology Service Desk (ITSD)** at 1-800-214-4822. Giving out credit card information would place customers' account numbers at risk for fraudulent charges and disclosing a customer's credit card number to an unauthorized person would violate the **Company's Information Security Policy**. If someone calls asking for information, ask for their number and tell them you or someone else will call them back.

Q: I have just mistakenly sent (in email or by another method) some PII to someone outside JCPenney. What do I do?

A: Immediately contact ITSD and your manager. The goal will be to see what was sent and to whom. IT can then assist with ensuring the data is recovered and the compromise minimized.

Q: I think my password has been compromised. I gave it to someone or else I suspect someone has been in my email or PC. What do I do?

A: Immediately contact ITSD and your manager. Change the password immediately. Once ITSD is engaged they can confirm the suspected password issue. They will work with you to ensure your data is secure and that you have not been compromised.



Record Retention

Records should be created using clear, accurate and professional language. Unnecessary copies of records should not be created and records should be shared only with authorized individuals who need to know the information contained in the records to perform their duties. All JCPenney associates are responsible for understanding and complying with the **Records Management Policy**. If you have questions regarding retention of records, contact recordretention-sm@jcp.com

Social Media

JCPenney recognizes that technology has led to an increasing use of social media by our associates. While we understand that social media can be a fun and convenient way to share your life and opinions with family, friends and co-workers around the world, the use of social media also presents certain risks and carries with it certain responsibilities.

Before you use social media, consider the effect your online activity may have. Any online activity that might negatively affect your job performance, the performance of other associates, JCPenney's relationships with customers, suppliers or others who work on behalf of JCPenney or JCPenney's legitimate business interests may be considered a violation of JCPenney's policies.

Use good judgment when deciding what to post online. Do not pressure or harass anyone to "friend," connect with or otherwise communicate with you through social media. Do not engage with customers on social media by responding to their inquiries on behalf of the Company. See JCPenney's **Social Media Policy** for further details

Q: What do I do if my JCPenney issued computer or phone has been lost or stolen?

A: Immediately contact ITSD and your manager. See **Information Security Policy**.

Q: What is a record?

A: Recorded information in any form or medium that (i) is created, received or maintained by any covered person in that person's business capacity, (ii) relates to JCPenney or its business, and (iii) is in the possession, custody or control of JCPenney or a Covered Person, where "Covered Person" refers to any JCPenney associate or other person who is authorized to create records on JCPenney's computer or other technology systems. Examples of records include, but are not limited to, hard copies, electronic documents, emails, faxes, voicemails, instant messages, text messages, drawings, graphs, charts, photographs, audio or video recordings, or other recorded data compilations.

Q: What should I do with documents that contain confidential or private information, but are no longer needed?

A: Do not throw such documents away in regular trash or recycling dumpsters because this could compromise Company, associate and customer confidential information. Always make certain that such documents are shredded or disposed of using locked bins in accordance with our **Records Management Policy**.

Q: Can I ask another associate or job applicant for their social media account information?

A: No. Do not require, request or suggest that any associate or job applicant: (a) provide you with their user name or password to their personal social media accounts; (b) log onto or use their personal social media accounts in your presence or on JCPenney's behalf; or (c) change the privacy settings on their personal social media accounts. Doing so is illegal under the laws of several states. For more guidance regarding use of social media, see JCPenney's **Social Media Policy**.

Q: I am frustrated with a co-worker and so I posted on Facebook that I wanted to hurt her. Can this affect my job?

Nothing in this or any section is intended, or will be applied, to prohibit you from exercising your rights protected under federal labor law and applicable state law, including your right to discuss with other associates or third parties your wages, hours or other terms and conditions of employment.

For more guidance regarding use of social media, see JCPenney's **Social Media Policy**.



Product Safety

JCPenney does not compromise on product safety. JCPenney is committed to safety standards set by law and follows strict safety and quality standards of its own.

Health and Safety

Every company has health and safety regulations and JCPenney is no different in that respect. The regulations exist to protect you and your fellow associates. We have a shared responsibility to follow all safety rules and practices. You must cooperate with officials who enforce those rules and practices to protect yourself and other associates. This includes your attendance at mandatory safety training and requires you to immediately report all injuries and unsafe practices or conditions to leadership or to JCPLine. Our goal is to provide all associates with a clean, safe and healthy work environment.

A: Yes. Any harassment or threats of harm or violence against co-workers, whether or not made in the workplace, would be a violation of Company policy and may result in disciplinary action up to and including termination.

Q: I have a makeup blog that I created before joining JCPenney. Can I continue with my blog?

A: Possibly. Depending on your position and your department, you may not be allowed to continue your blog, as it could be considered a conflict of interest. You will need to notify your manager and make a full and prompt disclosure through the Associate Kiosk and wait for a response. For further guidance on how to make a disclosure, [click here](#).

Q: Several customers have contacted the Company claiming that the zipper pull on a child's private brand sweater came off the top of the garment. Some even reported that their children almost choked on the pull. What should I do?

A: All claims about potential safety concerns regarding product sold by JCPenney should be reported immediately to JCPenney Product Safety and the buyer of the product. In coordination with the Legal Department, Product Safety will initiate and oversee an investigation regarding the safety compliance of the product.

Q: My manager suggested using an unsafe practice to increase productivity. I know our productivity goals are important, but I don't feel safe. What should I do?



The Environment

A number of environmental laws, standards, requirements and policies apply to our business operations, practices and products and we expect our associates, suppliers and others with whom we conduct business to comply with them. JCPenney's promise of stewardship to the environment, the communities in which we do business, our customers, associates and shareholders commit us to:

- Understand the social and environmental impacts of our operations and implement strategies to eliminate and/or minimize significant threats to the environment or human health and safety;
- Comply with and maintain awareness of applicable environmental, health and safety regulations;
- Collaborate with suppliers to develop environmentally responsible and safe products and services; and
- Engage with associates, customers, suppliers, interest groups and government agencies to foster continual improvement.

For more details on environmental guidance, consult **Environmental, Health & Safety**.

A: Report your concern immediately to your manager's manager, Asset Protection, Human Resources or the JCPLine. No productivity goal, cost or time saving measure or competitive advantage is worth an injury.

Q: My unit just swapped out several burned out light bulbs and ballasts. As the General Manager, if I ask an associate to take care of the used bulbs, do I have to make sure he also knows how to dispose of them properly?

A: Yes. Our Company policy is to properly dispose of all lamps (light bulbs) and ballasts, which can contain toxic materials like lead and mercury. Certain types of lamps and bulbs are classified as Hazardous Materials under federal and some state laws and we must dispose of these bulbs in a legally-compliant manner. Moreover, every associate is expected to conduct the Company's business in an environmentally responsible manner and not violate any environmental laws or regulations or Company policy. Unit Managers are responsible for making themselves aware of and ensuring compliance with these requirements. For further reference, please refer to **Environmental, Health, & Safety**.

Q: Where do I throw away used aerosols, returned perfumes or salon items as well as cleaning supplies?

A: Our Company policy is to properly manage all waste. These items should be disposed of by placing them in the Hazardous Waste receptacles located in your unit's Waste Accumulation Area. For more information or to learn about proper waste management for other kinds of waste, please refer to **Environmental, Health & Safety** and/or **Supply Chain Safety**.





In Closing

The Statement of Business Ethics is an important part of your relationship with JCPenney. It is an overview of all associates' responsibilities and introduces certain important JCPenney policies and guiding principles. But the Statement of Business Ethics is not a substitute for knowing all JCPenney policies that may apply to your employment and it is not intended to create an express or implied contract of employment. Your employment with JCPenney is on an at-will basis — where permitted by law. This means that you are free to resign at any time for any or no reason. We take our commitment to JCPenney's ethical principles very seriously and so should you. Violations of the Statement of Business Ethics may result in disciplinary action, up to and including termination.

At JCPenney, our intent is always to comply with federal, state and local laws, including without limitation the National Labor Relations Act. We do not enforce or apply our Statement of Business Ethics in a way that violates the law. Nothing in the Statement of Business Ethics or the policies

it incorporates, is intended, or will be applied, to prohibit you from exercising your rights protected by federal labor law, including concerted discussion of wages, hours or other terms and conditions of employment.

Amendments and Exceptions

From time to time, JCPenney may amend or modify the Statement of Business Ethics to better meet the needs of our business, address changes in the law or for other reasons.

Limited exceptions to the Statement of Business Ethics for Director-level associates and JCPenney Officers may be granted by JCPenney's Legal Compliance and Business Ethics Committee. For all other associates seeking an exception, approval must be requested in advance from ethics@jcp.com. All exceptions must contain details and facts supporting the requested exception and associates must receive approval in advance before engaging in the endeavor/activity.

Resources

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

If you are calling from outside United States, please dial +1 or 001 before the number.

Resource	Link	Contact Info
Approval Authority Policy	Approval Authority Policy	
Benefits (PowerLine)		1-888-890-8900
Customer Information Management	Customer Information Management	
Employment of Relatives Policy	Employment of Relatives Policy	
Environmental, Health & Safety	Environmental, Health & Safety	
Equal Employment Opportunity (EEO)	EEO Policy	
Ethics & Compliance	Ethics	ethics@jcp.com
Facilities (non-emergency, low store impact)	Work orders open in FM WORKS	
Foreign Corrupt Practices Act (FCPA)	FCPA	
Government Relations/Penney PAC	Government Relations/Penney PAC	972-431-1763
Government Relations – Reporting Members Policy	Reporting Memberships Policy	
Government Relations – Policy on Interactions with Elected Officials	Policy on Interaction with Elected Officials	
Government Relations – Policy on Legislative Activity of Trade Association	Policy on Legislative Activity of Trade Associations	
HR Policies and Procedures	HR Policies and Procedures	
Information Security Policy	Information Security Policy	
Information Technology Service Desk (ITSD)		1-800-214-4822
Insider Trading Policy	Insider Trading Policy	
Internal Communications		jcpcommunications-sm@jcp.com
International Office Compliance		intlcompliance-sm@jcp.com
International Gifts Policy	International Gifts Policy	
Investor Relations	Investor Relations	972-431-5500
JCPLine	JCPLine	1-800-527-0063
Legal Directory by Topic	Legal Directory by Topic	
Media Relations	Media Relations	972-431-3400 or jcpnews@jcp.com
Payroll		1-800- 879-1111
Philanthropy	Philanthropy	philanthropy-sm@jcp.com
Data Privacy Policy	Data Privacy Policy	privacy@jcp.com
Product Safety		972-431-8257
Record Retention	Records Management Policy	RecordRetention-sm@jcp.com
Social Media Policy	Social Media Policy	
Store Operations Procedures	Store Operations Procedures	
Supplier Principles	Suppliers Principles	
Supply Chain Safety	Supply Chain Safety	
Theft (to report theft of company property)		1-844-527-1273