

J. C. PENNEY COMPANY, INC.
Human Resources and Compensation Committee
of the Board of Directors
Charter

I. Purpose

The purpose of the Human Resources and Compensation Committee is to:

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

II. Composition and Meetings

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

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

- C. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of CEO or senior executive compensation and shall have sole authority to approve the consultant’s fees and other retention terms.
- D. The Committee shall meet at least twice a year. The schedule for regular meetings of the Committee shall be established by the Committee. The Chair of the Committee may call a special meeting at any time as he or she deems advisable.

III. Duties and Responsibilities

- A. The Committee shall have the following responsibilities:
 - 1. To review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives, and make recommendations to the independent directors on the Board of Directors who set the CEO’s compensation level based on this evaluation.
 - 2. To determine the long-term incentive component of CEO compensation, after considering the Company’s performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company’s CEO in past years.
 - 3. To make recommendations to the Board of Directors with respect to incentive compensation plans and equity-based plans.
 - 4. To review recommendations concerning the compensation of officers and approve the compensation of all senior executive officers.
 - 5. To review plans or proposals on management succession and major organizational or structural changes.
 - 6. To review the annual financial and investment performance reports of the funds under the Company’s retirement and welfare plans, including the annual actuarial valuation reports applicable to such plans.

7. To make recommendations in areas relating to personnel relations.
 8. To exercise any and all powers and responsibilities pursuant to its designation provided for, by, or under any of the Company's compensation and cash bonus and stock incentive plans, retirement and welfare plans, deferred compensation plans, and other executive and associate benefit plans as shall be authorized by the Board of Directors.
 9. To oversee the administration and operation of the Company's retirement and welfare plans by the Human Resources Committee (or any successor thereto) of the Executive Committee.
 10. To report to the Board of Directors, at least annually, on its review of the foregoing.
 11. To conduct an evaluation of the Committee's performance. The Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation and reporting the results to the Board. This may be a written or oral report by any member of the Committee.
- B. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

IV. Charter Review and Amendment

The Board of Directors may make such amendments to this Charter as it deems advisable, including, but not limited to, any amendments to conform to or reflect any change in any law, regulation, or ruling applicable to compensation committees.