

J. C. PENNEY COMPANY, INC.

**Corporate Governance Committee
Charter**

I. Purpose

The purpose of the Corporate Governance Committee is to:

- A. Develop and recommend a set of corporate governance principles to the Board of Directors and to review developments in the governance area as they affect relations among the Board of Directors, Company management, and Company stockholders, and to make recommendations to the Board, as appropriate, regarding such issues;
- B. Periodically review and assess the Company's corporate governance principles and make recommendations for changes thereto to the Board;
- C. Make recommendations to the Board with respect to the composition, including identifying, selecting and recommending qualified directors, organization, and responsibilities of the Board and its directors, and the compensation and tenure of directors;
- D. Oversee the annual self-evaluation of the performance of the Board; and
- E. Oversee the Company's policies and practices with a view to reflecting sensitivity toward the social and physical environments in which the Company does business.

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 Committee. Membership on the Committee shall be modified at the full Board's discretion. The Board may remove a Committee member from the membership of 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 ("NYSE"). No director qualifies as "independent" unless the Board affirmatively determines that the director has no material relationship with the Company.

- C. The Committee shall consult with and retain such advisors and consultants as the Committee deems necessary, including without limitation, legal counsel, who may be counsel to the Company.
- 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 duties and responsibilities:
 - 1. To consider matters of corporate governance and to review developments in the governance area as they affect relations among the Board of Directors, Company management, and Company stockholders.
 - 2. To make recommendations to the Board from time to time regarding changes that the Committee believes to be desirable to the size of the Board or any committee thereof.
 - 3. To establish criteria for persons to be nominated for election to the Board and its committees, taking into account the composition of the Board as a whole. At a minimum, the criteria should include a candidate's qualification as "independent," under the various standards applicable to the Board and each of its committees, as well as a candidate's judgment, experience and achievements, both in commerce and society, and his/her ability to bring a wide diversity of skills and experience to the deliberations of the Board. The balance of the business interests and experience of the incumbent or nominated directors, and the need for any required expertise on the Board or one of its committees, shall also be considered. With respect to incumbent members of the Board, the Committee shall also consider the performance of the incumbent director. In addition, the Committee shall determine whether qualifications for membership on each committee of the Board of Directors are met.
 - 4. To identify and recommend to the Board new persons believed to be qualified to be nominated for election to the Board. The Committee shall also annually review the past performance of each incumbent director whose term is expiring or who is otherwise slated to be a candidate for director at the next meeting of stockholders, and recommend to the Board whether such directors should be nominated for reelection. The Committee shall have the sole authority to retain

and terminate the services of a director search firm, including sole authority to approve the search firm's fees and other retention terms.

5. To recommend to the full Board, prior to each Annual Meeting of Stockholders, or any Special Meeting of Stockholders, as applicable, a slate of nominees for election to the Board. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders.
6. To recommend annually to the Board the membership of each Board committee (including this Committee) and a chair for each committee. The Committee shall review the qualifications of the members of each committee to ensure that each committee has a membership that meets any applicable criteria of the rules and regulations of the Securities and Exchange Commission and NYSE.
7. To evaluate the Company's policies relating to the recruitment and retention of directors, including compensation and director and officer's insurance, as well as indemnification protections provided by the Company, and make recommendations to the Board or any appropriate Board committee regarding such matters.
8. To conduct an annual evaluation of the Committee's performance. The Committee shall be responsible for establishing the evaluation criteria and implementing the process for such evaluation and reporting the results to the Board. This may be a written or oral report by any member of the Committee.
9. To establish procedures for the Committee to exercise oversight of the evaluation of the Company's Board and management.
10. To develop and recommend to the Board a set of corporate governance principles applicable to the Company and to conduct an annual review and assessment of such principles and recommend to the Board any changes it deems necessary.
11. To review and approve any transaction between the Company and any director or executive officer, or any entity in which such person has a direct or indirect interest, that would be required to be disclosed in the Company's annual proxy statement under Securities and Exchange Commission rules.

12. To oversee the Company's policies and practices with a view to reflecting sensitivity toward the social and physical environments in which the Company does business.
 13. To perform any other duties or responsibilities expressly delegated to it by the Board from time to time relating to the nominating of Board and committee members.
- 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 Committee shall review and reassess the adequacy of this Charter at least annually. The Board of Directors may make such amendments to this Charter as it deems advisable, including, but not limited to, any amendments to conform to or reflect any change in any law, regulation, or ruling applicable to corporate governance or nominating committees.