

JCP BENEFITS

Associate Discount Program & Gold Card Program

Associate Discount Program

Policy Overview

All active JCPenney associates are eligible to participate in the Associate Discount Program (“the Program”) starting on their first day on the job. The Program provides discount privileges on certain merchandise purchases and services. It’s a special privilege and a value for you and your family.

How the Discount Program Works

The Program allows you to purchase certain merchandise and services at a discounted price for your own use and to buy gifts or merchandise to be shared with others (subject to certain limitations and restrictions described later in this document). The discount is taken off the retail price for each item, including any marked-down sale price that is offered to customers.

Discount Amount

Associates receive a discount on merchandise and services (subject to the limitations listed below). The amount of the discount is determined by the type of payment.

Form of Payment	Merchandise	Services	Other*
<ul style="list-style-type: none">JCPenney Credit CardJCPenney MasterCardJCPenney Gift CardCashPersonal Check	25% Discount	20% Discount	10% Discount
<ul style="list-style-type: none">Debit CardCredit Card (not listed above)PayPal	20% Discount	15% Discount	5% Discount

Other

*Other includes:

- Smart watches and Fitbit trackers
- Pre-owned watches

Limitations and Restrictions

No discounts are available for:

- Certain items that have proceeds sent to charity
- Gift cards
- Optometrist exams
- Window measure and install
- Shipping and handling
- Furniture, TV and Fitness Protection Plans
- Delivery fees, service fees
- Sephora products purchased on jcp.com (Gold Card limitation)

Note: All persons employed by U.S. Vision (optical) or LifeTouch (portrait studio) located within a Store shall be entitled to the same discount extended to JCPenney associates for merchandise purchased in a Store.

Procedures

Store Purchases

Show your discount card before the sales associate rings up your purchase. Your eligible family members will need to present a valid *spouse/dependent* card. You or your dependent may also be required to show a driver's license or other photo ID for positive identification.

Online Purchases at JCP.com

- Your associate discount will be applied automatically (see note below)
- Standard shipping charges apply

Note: Be sure that your name and mailing address in your JCP.com account exactly match your name and mailing address in the Kiosk, including spaces, abbreviations and capitalizations. You must be logged in to your jcp.com account to ensure that your discount is correctly applied to purchases. Your associate discount will not show up until the final stage of the check-out process after adding any available coupons, adding any available Rewards and adding your payment type.

Activating Your Discount Card

You will be given discount cards for yourself and for each of your eligible *dependents* during the New Hire process. You must activate your discount card(s) on the Kiosk. Your card(s) will not be valid until you activate them.

To activate your card(s):

- Log on to the Kiosk
- Select Main Menu > Self-Service > Discount Card Activation
- Follow the instructions to activate your discount card(s)

Requesting Additional and/or Replacement Cards

Contact your General Manager or Unit Leader and activate the new card(s) via the Kiosk.

Active Associate Eligibility

Associate

As a JCPenney associate, you are eligible for the Program from your date of hire until your employment ends. You remain eligible even during approved leaves of absence.

Spouse

As long as you are eligible, your *spouse* may also take advantage of the Program. "*Spouse*" also includes common-law *spouse* in states that recognize this status. Documentation of common-law marriage is required.

If you divorce your *spouse*, your *spouse* loses all eligibility for the Program. If you divorce your *spouse*, *children* who are not your *dependents* will lose eligibility for the Program.

If you remarry after a divorce or the death of your spouse, your new *spouse* is eligible as your *dependent*. If you remarry, the *children* of your new *spouse* would also be eligible for the Program.

Note: "*Spouse*" does not include a Domestic Partner. Domestic Partners are not considered *spouses* under Section 132 of the Internal Revenue Code.

Children

Your discount extends to purchases by your unmarried, *dependent children and/or stepchildren** who meet the age and eligibility requirements:

- they have not yet reached age 19;
- they have not yet reached age 24, if a full-time student; or
- they are any age if *incapacitated***

*A *dependent child/stepchild* must qualify as a *dependent* for federal income tax purposes, which generally includes relying on you for more than half of their income and either living with you for more than half the year or treating your home as the *dependent's* principal place of residence.

**Provided the child became *incapacitated* before age 19 (or before age 24 if a full-time student).

Incapacitated Child

In order to continue participation for an *incapacitated child* who would otherwise lose participation due to age, you must complete and return the Continuation of Coverage for Incapacitated Children form. You can obtain this form from the JCPenney Benefits Center.

Note: When your *dependents* are no longer eligible for the Program, it is your responsibility to deactivate the *dependent's* discount card through the Kiosk. Failure to do so may result in you losing eligibility for the Program.

Gold Card Program

Program Overview

Some former associates are eligible for the Gold Card Program, which provides a lifetime discount on certain merchandise and services.

Retiree Eligibility

Former Associate

To be eligible for the Gold Card:

- You must have at least 10 years of total service with the Company or any of its participating employers;
- and**
- Your age plus your years of total service must be greater than or equal to 65

Note: You are eligible for the Gold Card, regardless of age, if you have at least 10 years of service and are Social Security disabled.

If your employment is terminated due to an approved Unit Closing or Permanent Reduction in Force (as such terms are defined in the Separation Pay Plan), you will automatically be provided with four additional points if it helps you reach the 65-point requirement to be eligible for the Gold Card Program. Only two of the additional four points can be counted toward meeting the 10-year total service requirement.

Gold Card discount privileges are not extended to anyone whose employment ends because of a summary dismissal (or who resigns in lieu of a summary dismissal).

Participants will be notified by the JCPenney Benefits Center of their eligibility for the Gold Card. If eligible, cards will be sent to your home address for you and your eligible dependents.

Gold Card participants with questions about the privileges and limitations of the Gold Card Program should contact the JCPenney Benefits Center.

Former Associate's Spouse

As long as you (the former associate) are eligible, your *spouse* may also take advantage of the Gold Card Program. "Spouse" also includes common-law *spouse* in states that recognize this status. Documentation of common-law marriage is required.

If you (the former associate) die while an eligible Gold Card holder, your card will be canceled, but your *spouse* is eligible to continue taking advantage of the Gold Card Program until his/her death; your eligible *dependents* may continue taking advantage of the Gold Card Program until they no longer meet eligibility requirements.

If you (the former associate) divorce your *spouse*, your former *spouse* loses all eligibility for the Gold Card Program. If you divorce your *spouse*, *children* who are not your *dependents* will lose eligibility for the Program.

If you (the former associate) remarry after a divorce or the death of your spouse, your new *spouse* is eligible as your *dependent*. If you remarry, the *children (as defined below)* of your new *spouse* would also be eligible for the Program.

Note: "Spouse" does not include a Domestic Partner. Domestic Partners are not considered *spouses* under Section 132 of the Internal Revenue Code.

Former Associate's Children

Your Gold Card discount extends to purchases by your unmarried, *dependent** children and/or stepchildren who meet the age and eligibility requirements:

- they have not yet reached age 19;
- they have not yet reached age 24, if a full-time student; or
- they are any age if *incapacitated***

*A *dependent* must qualify as a *dependent* for federal income tax purposes, which generally includes relying on you for more than half of their income and either living with you for more than half the year or treating your home as the *dependent's* principal place of residence.

**Provided the child became *incapacitated* before age 19 (or before age 24 if a full-time student).

Former Associate's Incapacitated Child

In order to continue participation for an *incapacitated child* who would otherwise lose participation due to age, you must complete and return the Continuation of Coverage for Incapacitated Children form. You can obtain this form from the JCPenney Benefits Center.

Note: When your *dependents* are no longer eligible for the Program, it is your responsibility to deactivate the *dependent's* discount card by calling the JCPenney Benefits Center at 1-888-890-8900. Failure to do so may result in you losing eligibility for the Program.

Procedures

Store Purchases

Show your discount card before the sales associate rings up your purchase. Your eligible family members will need to present a valid *spouse/dependent* card. You or your dependent may also be required to show a driver's license or other photo ID for positive identification.

Online Purchases at JCP.com

- Your associate discount will be applied automatically (see note below)
- Standard shipping charges apply

Note: Be sure that your name and mailing address in your JCP.com account exactly match your name and mailing address in the JCPenney benefits website at jcpbenefits.com, including spaces, abbreviations and

capitalizations. You must be logged in to your jcp.com account to ensure that your discount is correctly applied to purchases. Your associate discount will not show up until the final stage of the check-out process after adding any available coupons, adding any available Rewards and adding your payment type.

A Gold Card is only available to, and valid for, eligible former associates, their spouse and/or eligible dependents. **The Gold Card is nontransferable.** The signature on the card must agree with that on the signed sales slip for purposes of claiming discount privilege.

To request a new and/or replacement Gold Card, contact the JCPenney Benefits Center at 1-888-890-8900.

Limitations of the Program and Your Responsibilities – Associates and Gold Card Holders

Because the Program is a benefit of your employment or past employment, you should be careful to use it only as intended. No associate has a vested interest in the Program. If you make purchases or allow others to make purchases that violate the Program limitations set forth below, if you have been rehired and are summarily dismissed from employment or if you commit a criminal act against the Company, you may permanently lose your discount privilege and are subject to discipline, up to and including termination.

- The discount privilege and identification cards are non-transferable. You may use the discount privilege only to purchase goods for the personal use for yourself, your spouse or your eligible children. "Personal Use" includes merchandise you purchase to give as a gift or to share with others.
- You cannot use the discount privilege to purchase merchandise that will be resold, used in any business, including but not limited to your own, or for which you receive repayment of any kind.
- Items purchased with an associate discount cannot be returned for full retail. They must be returned for the same retail price as paid when purchased. Abuse of the associate discount could lead to disciplinary action up to and including termination.
- The restrictions (e.g., quantity, coupons, etc.) on sale merchandise for customers also apply to you.
- You cannot have a family member ring up your purchases.
- The General Manager or Unit Leader can limit the days and hours when you may use the discount privilege.
- The Company may not offer the Program to associates of certain subsidiaries or divisions because of federal tax laws.
- The discount privilege is subject to restrictions imposed by tax laws. By offering the discount, the Company makes no representation as to federal, state or local tax law outcomes for associates that use the discount privilege, and the Company shall not be responsible for any particular tax outcome.
- The Company reserves the right to impute income to any associate in the event that the Internal Revenue Service, other government agency, or court determines that the discount privilege is a taxable benefit.
- The Company reserves the right to change or end the Program at any time without prior notice to you.
- The discount card provided to you shall remain the property of the Company and the Company may require it to be returned at any time.

Associates with questions about the privileges and limitations of the associate Discount Program should talk to General Manager or Unit Leader.