

JCPenney

JCPenney 401(k) Plans and Mirror Plan

First and foremost, we hope you and your family are remaining healthy and safe. As you are aware, these are challenging times. Our country is experiencing a profoundly different reality due to the Coronavirus (COVID-19) pandemic. No one anticipated how dramatically the pandemic would impact American businesses, including the retail industry.

As a result of the Company's announcement to financially restructure under a voluntary Chapter 11 filing, we wanted to share information regarding the Company's 401(k) Plans¹ and the non-qualified deferred compensation Mirror Plan.

The JCPenney 401(k) Plans are defined contribution tax-qualified plans and funded with assets held in a separate trust outside of the company and would not be subject to creditor's claims through court-supervised proceedings. We do not anticipate any change to the balances or any payments provided through the plans as a result of the Chapter 11 filing.

The JCPenney deferred compensation Mirror Plan is a non-qualified plan and its assets **are** subject to creditor's claims through the court-supervised proceedings. JCPenney will not be permitted to make payments under the Mirror Plan during the pendency of the court-supervised process because all current and future payments will be suspended during that process. It will not be known until the end of the court-supervised process if the Mirror Plan will continue or be terminated.

If you have questions regarding the Company's 401(k) Plan or the non-qualified deferred compensation Mirror Plan please contact 1-888-890-8900. Again, we are in the early stages of the Chapter 11 filing process and will not have answers regarding how the Mirror Plan will be treated upon emergence from Chapter 11. However, we do not expect any changes or impact to the Company's defined contribution tax-qualified 401(k) Plans as a result of the Chapter 11 filing.

¹ J.C. Penney Corporation, Inc. Savings, Profit-Sharing and Stock Ownership Plan and J.C. Penney Corporation, Inc. Safe Harbor 401(k) Savings Plan