DILLARD'S SOCIAL ACCOUNTABILITY POLICY

Dillard's Purchase Order Terms, Sourcing Guidelines for Vendor Selection and various other memos and directives to Dillard's vendors all detail Dillard's policy that all Dillard's merchandise must be manufactured and shipped in compliance with all laws. We at Dillard's believe it is appropriate to restate and reiterate the principles upon which our relationship with vendors and suppliers will be based and thus we have adopted the following Dillard's Social Accountability Policy (the **"Policy"**).

1. Application. The Policy applies to all vendors (each a **"Vendor"**) that produce private label merchandise for which Dillard's, Inc. or any of its subsidiaries, divisions, affiliates or agents **("Dillard"**) is to be the importer of record (**"Merchandise"**).

2. General Policy Statement. Dillard considers its Vendors to be its partners. We build our sourcing guidelines based on a partnership strategy motivated by a common commitment to maintain the integrity of our standards, whether they are production, legal or ethical. While Dillard recognizes that there are different legal and cultural environments in which Vendors operate throughout the world, this Policy sets forth the minimum requirements that all Vendors must meet in order to do business with Dillard. This Policy is based on the International Labor Organization Declaration on Fundamental Principles and Rights at Work (adopted 1998). This Policy provides the foundation for Dillard's ongoing evaluation of a Vendor's practices and our continuing relationship with such Vendor. The standards set forth in this Policy are intended to convey the minimum standard for doing business with Dillard. Dillard's will apply more stringent standards in selecting and partnering with its vendors/suppliers in appropriate circumstances.

3. Vendor Standards. Vendors shall:
   a. Complete a Dillard Vendor Profile and any other forms required by Dillard. The Vendor Profile should be completed without any omissions or misleading information;
   b. Inform Dillard of any changes in the information supplied to Dillard;
   c. Operate in full compliance with the laws of the respective countries and with all other applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment;
   d. Operate in full compliance with Dillard's Purchase Order Terms and any other Dillard policies and procedures;
   e. Operate in full compliance with the employment practices set forth below (the **"Employment Practices"**);
   f. Operate each factory in which Merchandise is produced (each a **"Factory"**) in full compliance with the factory standards set forth below (**"Factory Standards"**); and
   g. Ensure compliance by each supplier of materials incorporated into Merchandise with the supplier standards set forth below (**"Supplier Standards"**).

4. Factory Standards. For each Factory, Vendor shall:
   a. Complete a Dillard Factory Profile. In the case of an outward processing arrangement (**"OPA"**), a Dillard OPA Factory Profile should also be completed. The Profile(s) should be completed without any omissions or misleading information;
   b. Inform Dillard of any changes in the information supplied to Dillard;
   c. Operate/ensure operation of the Factory in full compliance with the laws of the respective countries and with all other applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment;
   d. Operate/ensure operation of the Factory in full compliance with Dillard's Purchase Order and any other Dillard policies and procedures; and
   e. Operate/ensure operation of the Factory in full compliance with the Employment Practices.

5. Supplier Standards. All materials incorporated into Dillard Merchandise shall be produced in full compliance with the law of the respective countries and with all other applicable laws, rules and regulations, including those relating to labor, worker health and safety, and the environment.

6. Employment Practices. The following are Employment Practices required to be maintained by each Vendor and each Factory in which Dillard goods are produced.
   a. Forced Labor- There shall not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.
   b. Child Labor- No person shall be employed at an age younger than the legal age for employment in the country of manufacture. Each Vendor and Factory must also comply with restrictions in national laws on hazardous work by employees under age 18. No person shall knowingly be employed at an age younger than 15, or younger than the age for completing compulsory education if the age in the country of manufacture is greater than 15. No young worker under the age of 18 shall knowingly be exposed to situations in or outside of the workplace that are likely to jeopardize their health, safety or morals.
   c. Harassment or Abuse- Workers shall be treated with respect and dignity. Workers shall not be subject to any physical, verbal, sexual or psychological harassment or abuse in connection with their employment.
   d. Health and Safety- Employers shall provide a safe and sanitary working environment in order to avoid preventable work-related accidents and injuries. Where an employer provides dormitory or other housing for its workers, such facilities shall be operated in a safe and sanitary manner, and in compliance with applicable national laws governing such facilities.
   e. Nondiscrimination- Workers should be employed and compensated based upon their ability to perform their job, and not personal characteristics or beliefs. No worker shall be subject to discrimination in violation of applicable law related to hiring, training, compensation, promotion, termination or retirement. Workers should not be discriminated against in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, gender identity, sexual orientation, union membership, political affiliation or age. Women and men shall receive equal numeration for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill all open positions.
   f. Wages and Benefits- Employers should recognize that wages are essential to meeting their employees' basic needs. Employers shall pay workers for all work completed and shall pay as a floor at least the minimum wage required by law and shall provide legally mandated benefits.
   g. Overtime- In addition to compensation for regular hours of work, workers shall be compensated for overtime hours at such a premium rate as legally required or, in countries where there is no legal standard, at industry standards. In no event shall this be at a rate less than the regular hourly rate. Each Vendor and Factory shall carry out operations in ways that limit overtime to a level that ensures productive and humane working conditions.
   h. Work Hours- Each Vendor and Factory shall comply with national laws on the maximum work week. Overtime shall be voluntary unless permissible under applicable law. Workers shall not be asked or required to take work home or off premises except as permissible under applicable law. As part of normal business operations, workers shall be entitled to one full day off out of each seven-day week. Suppliers should not require in excess of a 60-hour week on a regularly scheduled basis, and any such work week shall be subject to the laws regarding the payment of overtime. In the case of those countries where laws do not limit the hours of work, workers should not be required to work on a regular basis in excess of a regular work week plus 12 hours overtime.
   i. Freedom of Association and Collective Bargaining- Each Vendor and Factory shall obtain and comply local and national laws and regulations regarding freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation in their efforts to pursue their legal rights. All workers should be free to join associations of their own choosing, and they should have the right to bargain collectively. We do not authorize any disciplinary actions from the factory against workers who choose to peacefully and lawfully organize or join an association.

7. Evaluation and Inspection of Factories. Each Vendor and Factory shall allow Dillard and/or any of its representatives or agents unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance. Dillard may use its sourcing personnel, overseas agents and/or third party contactors to review Vendor's and Factory's adherence to these expectations, and to

reevaluate its existing relationships where the results of those reviews so warrant. Dillard's merchandise shall be produced only at approved Factories. Purchase orders for Merchandise are issued for production at an agreed approved Factory and can not be changed to a different location without written approval.

8. Remediation/Re-Evaluation of Factories. Dillard is willing to work with Vendor and a Factory where there is an established relationship in order to bring them into compliance where failings are found. Dillard's desire is for continuous improvement in factory conditions, and will only break contractual relations as a last resort. However, Dillard reserves the right to breach contractual relations for any violations of its Policy.

9. Communication and Training. Dillard provides its Policy and other appropriate guidance on its expectations in writing to its employees, suppliers, Vendors and Factory managers.

10. Reporting. Dillard's will provide publicly available periodic reports on implementation and monitoring of the company policy and remediation.

Dillard will not knowingly do business with vendors that undermine our standards, damage our reputation, and/or threaten our commercial success. With full consideration for the practice of individual vendors as well as the political and social issues of note or notoriety in a Vendor's country, Dillard will select only the vendors who share our values and will endeavor to build our business with such vendors. Dillard reserves the right to break contractual relations, and will not initiate relations with vendors who violate basic human rights.