



Code of Conduct

This Code of Conduct has been adopted for the purpose of ensuring that the Company's "Associates" (Officers and Employees) conduct themselves and operate the Company's business in accordance with the highest ethical standards.

This Code of Conduct covers all associates. When appropriate, it also covers all members of the Company's Board of Directors.

Compliance With The Code

Understanding the Code

The Company takes this Code of Conduct seriously. All associates must follow the ethical standards set forth in this Code and are obligated to report, in a timely fashion, any possible violations of our ethical standards that they may witness. Doing so is not an act of disloyalty, but an action that shows your sense of responsibility and fairness to your fellow associates, our customers, suppliers and shareholders. Reporting in good faith possible ethical violations by others will not subject you to reprisal. In fact, retaliation or punishment for reporting suspected unethical or illegal conduct by another associate as provided in this Code or for coming forward to alert the Company of any questionable situation is against the law.

It is the responsibility of associates to read carefully and understand this Code, but we do not expect this Code to answer every possible question an associate may have in the course of conducting business. Furthermore, if associates are concerned about an ethical situation or are not sure whether specific conduct meets the Company's standards of conduct, associates are responsible for asking their supervisors, managers or other appropriate personnel any questions that they may feel are necessary to understand the Company's expectations of them. A good basis for deciding when to get advice is to ask whether the conduct might reasonably give the impression that you were engaged in unlawful or unethical conduct. If it might, associates should seek clarification from their supervisors, managers or other appropriate personnel.

Violations of The Code

Associates who knowingly fail to comply with these policies, or knowingly fail to report wrongdoing, may be subject to disciplinary action up to and including termination of employment. The following are examples of conduct that may result in discipline:

- actions that violate a Company policy
- requesting others to violate a Company policy
- failure to promptly raise a known or reasonably suspected violation of a Company policy
- failure to cooperate in Company investigations of possible violations of a Company policy
- retaliation against another associate for reporting an integrity concern

It is important to understand that violation of certain of these policies may subject the Company and the individual associate involved to civil liability and damages, regulatory sanction and/or criminal prosecution. The Company is responsible for satisfying the regulatory, reporting, investigative and other obligations that may follow the identification of a violation.

Waiver of Compliance

In certain limited situations, the Company may waive application of the Code to associates or Directors. With respect to executive officers and Directors, any such waiver requires the express approval of the Board of Directors of the Company. Furthermore, the Company will promptly disclose to its shareholders any such waivers granted to any of its executive officers or Directors.

Business Conduct and Practices

Accuracy and Retention of Business Records

Associates involved in the preparation of the Company's financial statements must prepare those statements in accordance with Generally Accepted Accounting Principles, consistently applied, and any other applicable accounting standards and rules so that the financial statements materially, fairly and completely reflect the business transactions and financial condition of the

Company. Further, it is important that financial statements and related disclosures be free of material errors. Company policy prohibits any associate from knowingly making or causing others to make a materially misleading, incomplete or false statement

to an accountant or an attorney in connection with an audit or any filing with any governmental or regulatory entity (such as the New York Stock Exchange or the Securities and Exchange Commission).

Company policy also prohibits any associate from knowingly, directly or indirectly, falsifying or causing others to falsify any Company documentation. In addition, an associate must not knowingly omit or cause others to omit any material fact that is necessary to prevent a statement made in connection with any audit, filing or examination of the Company's financial statements from being misleading. Associates are prohibited from knowingly opening or maintaining any undisclosed or unrecorded corporate account, fund or asset or any account with a misleading purpose.

Destruction or falsification of any document that is potentially relevant to a violation of law or a governmental investigation may lead to prosecution for obstruction of justice. Therefore, if an associate has reason to believe that a violation of the law has been committed or that a government investigation is about to be commenced, he or she must retain all records (including computer records) that could be relevant to an investigation of the matter, whether conducted by the Company or by a governmental authority. Questions with regard to destruction or retention of documents in this context should be directed to the General Counsel.

All Company books, invoices, records, accounts, funds and assets must be created and maintained to reflect fairly and accurately and in reasonable detail the underlying transactions and disposition of Company business. No entries may be made that intentionally conceal or disguise the true nature of any Company transaction.

In addition, if an associate believes that the Company's books and records are not being maintained in accordance with their requirements, the associate should report the matter directly to his or her supervisor or to the Corporate Responsibility Office.

Company Property

All Directors and associates should protect the Company's assets and ensure their efficient use. Associates are not permitted to steal, or knowingly misappropriate the Company's assets for an improper or illegal purpose. If the private, personal use of Company owned assets is authorized and is of more than nominal value, it must be reported to the Principal Financial Officer so that the user can be properly billed. Subject to the foregoing sentence, the Company's assets, whether tangible or intangible, are to be used by authorized associates or their designees for legitimate business purposes.

Confidential Information

Confidential information includes information not generally known to the public that a company would normally expect to be non-public and that might be harmful to the Company's competitive position, or harmful to the Company if disclosed.

Except as specifically authorized or legally mandated, Company associates are expected to protect the confidentiality of information entrusted to them by the Company and shall not disclose or use, either during or subsequent to their employment by or the term of any other relationship with the Company, any such information they receive or develop during the course of Company employment or any such other relationship which is considered proprietary by the Company.

Failure to follow these requirements may result in discipline.

Directors shall not disclose non-public information to anyone outside the Board of Directors without prior approval of the chairman of the Board of Directors unless legally mandated.

Nothing in this section shall be interpreted to interfere with associates' right to discuss wages and other terms and conditions of employment with others.

Privacy of Customer Information

Except as specifically authorized or legally mandated, information about the Company's customers and information entrusted to Company associates by its customers, including information not generally known to the public that a company would normally expect to be non-public and that might be harmful to the Company's customers, if disclosed, regardless of the source, should be considered confidential and maintained according to the appropriate Privacy Policy applicable to that information.

Frauds and Thefts

Company policy prohibits fraudulent activity and establishes procedures to be followed to ensure that incidents of fraud and theft relating to the Company are promptly investigated, reported and, where appropriate, prosecuted. Fraudulent activity can include actions committed by an associate that injure suppliers and customers, as well as those that injure the Company, its shareholders and its associates.

Associates and agents who suspect that any fraudulent activity may have occurred must immediately report such concern to their supervisor, the Internal Audit Department, a Corporate Responsibility Officer or the General Counsel. Such contact should occur before any action is taken with respect to the individual accused of perpetrating the alleged business impropriety. Such allegations, if proven to be factual, will lead to appropriate discipline of the associate, which may include the involvement of local law enforcement and actions to recover Company funds or property.

Payments and Gifts to Third Parties

Any payment made by the Company to a third party must be made only for identifiable services that were performed by the third party for the Company. In addition, the payment must be reasonable in relation to the services performed.

Associates are not permitted to give, offer or promise payments or gifts with the intent to improperly influence (or which may appear to improperly influence) a third party or to place such party under an obligation to the donor. Additional restrictions are imposed on dealings with foreign federal, state or local government officials.

Periodic Reports

Officers should ensure that communications with the public and Company disclosures in periodic reports and documents that it files, or submits to, the Securities and Exchange Commission contain full, fair, accurate, timely and understandable disclosure.

Conflicts of Interest

A "conflict of interest" occurs when an individual's private interest interferes in any way - or even appears to interfere - with the interests of the corporation as a whole. A conflict situation can arise at all levels within the Company when an associate, officer or Director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an associate, officer or Director, or a member of his or her family, receives improper personal benefit as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

Business decisions and actions must be based on the best interests of the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the Company's independent and sound judgment. Directors and associates may not have outside interests which conflict or appear to conflict with the best interests of the Company. Directors and associates are expected to act for the benefit of the Company and not be influenced by a personal interest that may result from other individual or business concerns. Conflicts of interest are to be scrupulously avoided, and, if unavoidable, must be disclosed to the Company (whether through disclosure to the Board of Directors, in the case of a Director or the Chief Executive Officer, or to your supervisor, in any other case) at the earliest opportunity. If you have any uncertainty about whether your actions or relationships present a conflict of interest, contact your supervisor or the Legal Department for guidance, or if you are a Director, consult with the Corporate Secretary or General Counsel, who will then consult with the Chairman of the Board, or the full Board, as necessary.

Family Members and Close Personal Relationships

Conflicts of interest may arise when doing business with or competing with organizations in which associates' family members have an ownership or employment interest. Family members include spouses, parents, children, siblings and in-laws. It is anticipated that in a large organization such as this, family members may be associated with organizations with whom the Company does business as associates (paid or unpaid) prior to, after or at the time we hire their relative. In these circumstances it would be highly disruptive to the individual and to the Company to view the family member's association as an inherent conflict of interest. However, such relationships could create the appearance of a conflict of interest. Therefore, such associates must take extra care that all decisions they make are in the Company's best interests and not for their own or their relatives' personal gain. If an associate is concerned about the appearance of impropriety, the associate should immediately contact a representative of the Corporate Responsibility Office for assistance.

Directors and associates may not seek or accept loans or guarantees of obligations from the Company for themselves or their family members. The use of a Dillard's charge card is permitted. Associates may not seek or accept loans or guarantees of obligations (except from banks), for themselves or their family members, from any individual, organization or business entity doing (or seeking to do) business with the Company. Associates must report to their supervisor promptly all offers of the above type, even when refused.

Ownership in Other Business

Associates may not own, directly or indirectly, a significant financial interest in any business entity that does or seeks to do business with, or is in competition with, the Company unless specific written approval has been granted in advance by the Legal Department. As a guide, "a significant financial interest" is defined as ownership by an associate and/or family members of more than 1% of the outstanding securities/capital value of a corporation or that represents more than 5% of the total assets of the associate and/or family members.

Corporate Opportunities

It is Company policy that Directors and associates may not take for themselves personally opportunities that are discovered through the use of Company property, information or position, nor may they use Company property, information or position for personal gain. Furthermore, Directors and associates may not compete with the Company. Associates and Directors have a duty to the Company to advance its legitimate interests where the opportunity to do so arises.

Directors and associates are prohibited from directly or indirectly buying, or otherwise acquiring rights to any property or material, when such persons actually know that the Company may be interested in pursuing such opportunity and the information is not public.

Gifts, Gratuities and Entertainment

Associates and their family members must not accept, directly or indirectly, gifts or gratuities from persons, firms, or corporations with whom the Company does or might do business that are greater than nominal in value unless the actual gift has been specifically approved by the appropriate Corporate Officer.

The Company does not offer gifts, gratuities or entertainment to persons, firms or corporations with whom the Company does or might do business, except for modest items and reasonable entertainment. All gifts, gratuities and entertainment must be properly reported on expense statements.

The Company, as a responsible corporate citizen, can make donations of money or products to worthy causes, including fundraising campaigns.

Fair Dealing

When representing the Company in any business transaction, each associate should endeavor to deal fairly with the Company's customers, suppliers, competitors and associates. No associate should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Relationships with Suppliers

The Company encourages good supplier relations. However, associates may not benefit personally, whether directly or indirectly, from any purchase of goods or services for or from the Company. Associates whose responsibilities include purchasing (be it merchandise, fixtures, services, real estate or other), or who have contact with suppliers, must not exploit their position for personal gain. Under no circumstances may any associate receive cash or cash equivalents from any supplier, whether directly or indirectly.

Samples

It is accepted business practice for vendors to distribute samples to potential purchasers. Company policy is that, to the extent necessary to make a reasonable appraisal of new products, samples of such products may be accepted in small quantities by associates when done in furtherance of the Company's business interests.

Reporting Violations; Confidentiality

The Company has established the following procedures associates can use for getting help with a potential issue or reporting a violation of the Code or other problem. When you believe you or another associate may have violated the Code or an applicable law, rule or regulation, it is your responsibility to immediately report the violation. Similarly, if you are a supervisor and you have received information from an associate concerning activity that he or she believes may violate the Code or that you believe may violate the Code, you should report the matter.

All reports and inquiries will be handled confidentiality to the greatest extent possible under the circumstances. Associates may choose to remain anonymous, though in some cases that could make it more difficult to follow up and ensure resolution of their inquiry. As mentioned above, no associate will be subject to retaliation or punishment for reporting suspected unethical or illegal conduct by another associate as provided in this Code or for coming forward to alert the Company of any questionable situation.

In addition to reporting suspected violations to his/her supervisor, an associate may report suspected violations to the Internal Audit Department or any Corporate Officer. Furthermore, the Company has designated a core team of corporate officers who together form the Corporate Responsibility Office for you to pursue your concerns. The Corporate Responsibility Office includes:

Phillip Watts, Principal Financial Officer
Telephone: 501-376-5200
Email: phillip.watts@dillards.com

Sid Sanders, Vice President - Internal Audit
Telephone: 501-376-5200
Email: sid.sanders@dillards.com

Dean Worley, General Counsel
Telephone: 501-376-5200
Email: dean.worley@dillards.com

In addition, any person who has any questions or comments for the Presiding Member of the Non Management Members of the Board of Directors or the Non Management Directors as a group or a complaint regarding accounting, internal accounting controls or auditing matters may write to the Director(s) or Audit Committee at "Presiding Member of Non Management Members of the Board of Directors" or "Non Management Members of the Board of Directors" or "Audit Committee of the Board of Directors", respectively, at 1600 Cantrell Rd. Little Rock, AR, 72201.

Compliance With Laws and Insider Trading

The Company operates strictly within the bounds of the laws, rules and regulations that affect the conduct of our business. Directors and associates are expected to know and to follow the law. Supervisors, managers or other appropriate personnel must ensure that associates understand the values and are informed of the requirements relating to their jobs. They must also be available to answer associate questions or concerns and to guide them to other Company subject-matter experts when necessary. The Company's suppliers and agents, including representatives and consultants, must be informed as well. There are serious consequences for failing to follow any applicable laws, rules and regulations.

The Company's policy against insider trading is designed to promote compliance with securities laws and to protect the Company as well as Company representatives from the very serious liability and penalties that can result from violations of these laws. The Company is committed to maintaining its reputation for integrity and ethical conduct and this policy is an important part of that effort.

Insider trading is both illegal and unethical. Federal and state securities laws and Company policy prohibit the buying or selling of securities on the basis of material, non-public information. Directors and associates, at any level, who are aware of non-public material information related to the Company or any other persons with whom the Company is doing business, may not, directly or indirectly, use such material non-public information in purchasing or selling any securities of the Company or such persons. Directors and associates are prohibited from purchasing or selling the securities of the Company or such persons because they possess material, non-public information, may not have any other person purchase or sell securities on their behalf. Any purchases or sales made by another person on their behalf will be attributable to them. Material non-public information may not be disclosed to any person outside the Company (including relatives, friends or business associates and regardless of the purpose for which such disclosure may be made) until authorized Company officials have adequately disclosed the information to the public. For any questions regarding these topics, please consult with the Legal Department.

Short-term investment activity in the Company's securities, such as trading in or writing options, arbitrage trading or "day trading," is not appropriate under any circumstances, and accordingly is prohibited. In addition, associates should not take "short" positions in the Company's securities.

Transactions in foreign securities markets are subject to the policies and procedures described in this Code. Certain jurisdictions may have stricter requirements than those discussed in this Code, and associates should always consult with their local Legal Department representatives with regard to such requirements.

"Material information" is any information that a reasonable investor would consider important in deciding whether to buy, sell or hold securities. Examples include acquisitions and divestitures, changes in key management, large contracts, material contract cancellations, new products or processes, earnings figures and trends, dividend changes and important information on litigation, contracts or joint ventures. In addition, it should be emphasized that material information does not have to relate to the Company's business; information about the contents of a forthcoming publication in the financial press that is expected to affect the market price of a security could well be material. For any questions regarding the materiality of certain information, please consult the Legal Department.

Executive officers of the Company are frequently in possession of non-public material information. To prevent trading in Company stock while in possession of such confidential information, all executive officers should receive permission of the General Counsel or Principal Financial Officer before engaging in any trading of Company stock. Such permission will be effective for 24 hours only. An "executive officer" is an officer of the Company or one of its subsidiaries who is required to report his or her Company stock holdings and transactions to the Securities and Exchange Commission on Forms 3, 4 and 5.