

MACY'S, INC.

METHOD TO FACILITATE THE RECEIPT, RETENTION AND TREATMENT OF COMMUNICATIONS TO THE BOARD AND THE AUDIT COMMITTEE

The Company provides reporting facilities called ComplianceConnections that employees of the Company may use for asking questions or raising issues. ComplianceConnections are a toll-free anonymous reporting hotline and a web-based reporting tool that are administered by a third party under the management of the Company's compliance and ethics organization. The Company's compliance and ethics organization consists of (i) the Compliance and Ethics Executive Committee, whose members are the General Counsel, the Controller, VP of Internal Audit, and the Chief Compliance and Ethics Executive, and (ii) the Office of Compliance and Ethics, which is managed by the Chief Compliance and Ethics Executive who reports to the General Counsel. ComplianceConnections may be accessed to raise questions and concerns relating not only to accounting, internal controls and auditing matters related to the Company (referred to collectively as "Financial Reports"), but also to any Company policy or legal compliance issues. The Company's Office of Compliance and Ethics maintains a database of all reports made through ComplianceConnections.

In addition to communicating through ComplianceConnections, any interested party may communicate directly with non-management Directors either by mail or at Macy's corporate governance website (collectively referred to herein as the "Interested Party Facilities"). The URL for the corporate governance website is disclosed in the Company's proxy statements. The Office of Compliance and Ethics and the Internal Audit Department compile and communicate all reports made by interested parties through the Interested Party Facilities to non-management directors.

Even though SOA §301 and the NYSE rules require only that the Company provide a means whereby employee communications can be raised anonymously, ComplianceConnections and the Interested Party Facilities include certain security measures designed to provide anonymity to all parties sending communications through these facilities by ensuring that management will not be able to trace the identity of the interested party.

The following are the elements regarding the day-to-day administration of all reports received through the Interested Party Facilities and Financial Reports received through ComplianceConnections (collectively referred to herein as "Reports"):

1. The Receipt of Reports

(a) Each business day, the Office of Compliance and Ethics will review Reports received that day.

2. Handling Reports After Receipt

(a) Upon receipt of a Report, the Office of Compliance and Ethics will delete any reference to the reporting party's name if requested and route it to the appropriate party.

(b) If the Office of Compliance and Ethics identifies the Report as representing a Financial Report, the Office of Compliance and Ethics will promptly forward such Financial Report to the Audit Committee via secure email.

(i) The Office of Compliance and Ethics and/or the Internal Audit Department will follow up with the Audit Committee to discuss the appropriate response to the Financial Report, and the Committee, the Office of Compliance and Ethics and/or the Internal Audit Department will take whatever responsive action (including an investigation) is determined to be taken in response to the Financial Report.

(c) All Reports other than Financial Reports shall be directed to the Board, its members or any committee of the Board, by the Office of Compliance and Ethics as appropriate.

(i) The Office of Compliance and Ethics and/or the Internal Audit Department will follow up with the recipient of the Report to discuss the appropriate response to the Report, and such recipient, the Office of Compliance and Ethics and/or the Internal Audit Department will take whatever responsive action (including an investigation) is determined to be taken in response to the Report.

3. Retention and Distribution of Reports

(a) The Office of Compliance and Ethics will maintain a database containing all Reports received, whether telephonic, electronic or in writing. The database will track the receipt of the Reports and their investigation, resolution and any response to the reporting party.

(b) The Office of Compliance and Ethics will provide periodic summary reports to the Audit Committee of all outstanding Financial Reports and to the Board of Directors for all Reports other than Financial Reports. The reports shall include the status of the Report and any investigation related thereto.

(c) The Office of Compliance and Ethics will retain all Reports and all records relating to such Reports for seven (7) years.