

The Bank of New York Mellon

BuyDIRECT_{SM}

*A Direct Purchase
and Sale Plan
for the Common Stock of
Macy's, Inc.*



**THE PLAN AND PARTICIPATION
IN THE PLAN IS GOVERNED BY
THIS PLAN BROCHURE IN ITS ENTIRETY.**

**PLEASE CAREFULLY REVIEW ALL
SECTIONS PRIOR TO SENDING AN
ENROLLMENT FORM OR ANY FUNDS TO
THE BANK OF NEW YORK MELLON.**

BuyDIRECT is sponsored and administered
solely by The Bank of New York Mellon,
not by Macy's, Inc.

Effective September 6, 2011
BuyDIRECT_{SM} is a service mark of The Bank of New York Mellon

Dear Investor:

BNY Mellon Capital Markets, LLC (“BNYMCM”), a registered broker-dealer, is forwarding the enclosed materials for the stock plan described therein (“the Plan”). A banking affiliate of BNYMCM is the Administrator of the Plan. Please review the enclosed materials for details of the Plan.

Orders received by the Administrator to purchase or sell shares under the Plan may be executed by BNYMCM. BNYMCM makes no recommendation for or against participation in the Plan or the purchase of any securities under the Plan, nor does it assume any responsibility for the accuracy of the statements made in the enclosed materials.

If you have any questions about the Plan, you may contact the Administrator at the toll-free number in the enclosed materials.

Very truly yours,

BNY Mellon Capital Markets, LLC

BNYMCM, a wholly owned non-bank subsidiary of The Bank of New York Mellon Corporation, is a full service, SEC registered broker-dealer, and a member of FINRA and SIPC. Shares offered through the Plan are not FDIC insured and are not held by BNYMCM. Shares held in *BuyDIRECT* are not subject to protection under SIPC. Shares are not bank deposits or obligations of, or guaranteed by any bank and are subject to investment risks, including possible loss of the principal amount invested.

Protecting Your Privacy

Our Pledge to You

WE ARE COMMITTED TO YOUR PRIVACY. The privacy policies described in this notice apply to individuals who participate in this Plan for personal, family, or household purposes, or have done so in the past. This notification replaces all previous statements of our information sharing practices, and may be amended at any time. We'll keep you informed of changes as required by law.

YOUR ACCOUNT IS PROVIDED IN A SECURE ENVIRONMENT. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard nonpublic personal information. Our agents and service providers have limited access to customer information based on their role in servicing your account.

WE COLLECT INFORMATION IN ORDER TO SERVICE AND ADMINISTER YOUR ACCOUNT. We collect a variety of nonpublic personal information, which may include information about you from the Plan enrollment form and information about your transactions with us.

WE DO NOT SHARE NONPUBLIC PERSONAL INFORMATION WITH ANYONE, EXCEPT AS PERMITTED BY LAW.

Thank you for this opportunity to serve you.

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***BuyDIRECT*SM**
OVERVIEW
A Direct Purchase & Sale Plan
For the Common Shares of
Macy's, Inc.

The Bank of New York Mellon (the "Bank") is pleased to offer a Direct Purchase and Sale Plan (the "Plan") for the shares of common stock of Macy's, Inc. ("Macy's" also, "the Company"). The Plan, *BuyDIRECT*, provides both registered holders and interested first-time investors with an affordable alternative for buying and selling Macy's common stock.

BuyDIRECT Plan Features:

- **Convenient Purchase Option**

New investors can make their initial purchase directly through the Bank as Transfer Agent for the Company and Administrator for the *BuyDIRECT* Plan. Once enrolled, Participants can make additional optional cash investments in Macy's common stock through the Plan.

- **Automatic Dividend Reinvestment**

Participants may choose to purchase additional shares of Macy's common stock by investing all or a portion of their cash dividends. Alternatively, you may choose to receive cash dividends directly.

- **Certificate or Book-Entry Ownership**

In lieu of physical certificates, shares will be held in book-entry form. You will receive statements and confirmations reflecting your transaction history. You may, however, request the issuance of a physical certificate at any time via a toll-free number, the Bank's website or by mail.

- **Deposit of Certificated Shares**

Shares of the Company common stock that you currently hold in certificated form may be deposited directly into your Plan account. The Bank will credit these shares to your Plan account in book-entry form. You can withdraw or transfer all or a portion of your shares at any time.

- **Direct Sale**

All or a portion of your shares of the Company common stock that are held through the Plan may be sold directly through the Plan without having to issue a certificate.

BuyDIRECT offers a convenient and flexible way of purchasing and selling shares of Macy's common stock. There are fees associated with utilizing certain Plan features. The fees are set forth in the section, "Costs to Participants."

BuyDIRECTSM
IS SPONSORED AND
ADMINISTERED SOLELY BY
THE BANK OF NEW YORK MELLON,
NOT BY Macy's, INC.

Shares are not insured by the FDIC or any other government agency, are not deposits or other obligations of, and are not guaranteed by, The Bank of New York Mellon, and are subject to investment risks, including possible loss of principal amount invested.

The Bank of New York Mellon and Macy's, Inc. provide no advice and make no recommendations with respect to purchasing or selling shares of the Company. Any decision to purchase or sell must be made by each individual Plan Participant based on his or her own research and judgment. Nothing herein shall be deemed to constitute an offer to sell or a solicitation to buy share(s) of the Company.

Important Note: Shares held in BuyDIRECT are not subject to protection under the Securities Investor Protection Act of 1970.

Please retain this brochure for future reference.

BuyDIRECT
SUMMARY OF PLAN SERVICES
For Shareholders of
Macy's, Inc. Common Stock

Eligibility & Enrollment

Almost everyone is eligible to enroll in *BuyDIRECT*. Interested investors may participate in the Plan if they already own Macy's common shares or non-holders may make their initial purchase of shares directly through the Plan (see "Additional Terms and Conditions," for further information). If you have any questions or would like to enroll, simply contact the Bank at the following toll-free number below or visit our website at www.bnymellon.com/shareowner/equityaccess:

1-866-337-3311

Easy, Full Investment Plan

Once enrolled in the Plan you can invest cash dividends when paid and make optional cash investments simply and conveniently. Optional cash investments can be made at any time. With *BuyDIRECT*, you have the advantage of having your cash fully invested because all shares, both full and fractional, are credited to your account and earn dividends when paid.

Deposit of Certificated Shares

If you already own Macy's common shares in certificated form, you may deposit such shares into your Plan account. The Bank will credit these shares to your Plan account in book-entry form. This feature protects your shares against possible loss, theft or accidental destruction and may save you the expense of having to replace your certificates.

Convenient Ways To Sell or Transfer Your Shares

Shares owned by you, whether in book-entry or certificated form, can be easily sold or transferred through the Plan. Transfers may be effected in book-entry or certificated form. You may instruct the Bank to issue a certificate in your name for shares held in the Plan at any time.

Plan Costs

The costs and fees associated with the Plan, including enrollment costs, administrative service fees and/or trading fees, are set forth in the section "Costs to Participants."

BuyDIRECT is sponsored and administered solely by The Bank of New York Mellon, not by Macy's. Please review the "Terms and Conditions" and "Costs to Participants" for specific Plan features and the fee schedule.

***BuyDIRECT*SM**
Frequently Asked
Questions and Answers

1. HOW DO I ENROLL IN THE PLAN?

Registered holders and other interested first-time investors can enroll in *BuyDIRECT* through our website at www.bnymellon.com/shareowner/equityaccess or by completing, signing, and returning the Enrollment Form. An Enrollment Package can be obtained by contacting the Bank at the following toll-free number: 1-866-337-3311 or by visiting the website. Both existing stockholders and new investors must enroll online or complete, sign, and return an Enrollment Form to the Bank.

Once completed, the Enrollment Form and transaction instructions, if any, should be mailed to the Bank (see Question 18, “How Do I Contact The Bank of New York Mellon?” for mailing instructions). Enrollment in the Plan is voluntary. Each participant is responsible for reviewing the applicable laws of his or her country of residence prior to enrolling in the Plan. Participation in the Plan continues until terminated by you or by the Bank.

There is a one-time Initial Enrollment Fee of \$10.00 for all non-registered holders to open a Plan account. For first-time share purchases by non-registered holders, the minimum initial investment amount is \$500.00 but cannot be more than \$10,000.00.

If you want to sell book-entry shares through the Plan, you must be enrolled in the Plan. You may enroll in the Plan at the time of sale through our website, by telephone or by mail. See Question 9, “How Can I Sell My Shares?” for additional information.

2. HOW CAN I PURCHASE ADDITIONAL SHARES?

You can easily purchase additional shares at any time by making optional cash investments. Your optional cash investments, less applicable fees, are used to purchase shares of the Company common stock for your account. No interest will be paid to investors on optional cash investments held by the Bank pending investment.

You can make optional cash investment when joining the Plan by using the individual debit feature offered on the Bank’s website or by enclosing a check with the Enrollment Form. Thereafter, all optional cash investments made by mail should be accompanied by the tear-off portion of your account statement.

Once becoming a Plan Participant, you may make additional optional cash investments in amounts of at least \$50.00. Alternatively, Participants may elect to make automated optional cash investments as individual transactions or recurring pre-authorized debits (PAD). If the PAD option is chosen, a minimum of \$50.00 will be deducted from the Participant’s checking or savings account on the 25th day of each month, or if such date is not a business day, the deduction will be made on the preceding business day (see Question 3, “Can I Make Automatic Monthly Investments?”).

For each optional cash investment made by check, Participants will incur transaction fees of \$5.00 plus \$0.10 per share purchased. For each automated optional cash investment, Participants will incur transaction fees of \$2.00 plus \$0.10 per share purchased. These trading fees include brokerage fees and commissions. The maximum investment amount per transaction is \$10,000.00 and the maximum annual aggregate investment is \$120,000.00 per calendar year. Optional cash investments must be made either by Electronic Funds Transfer (EFT) or check drawn on a U.S. Bank, in U.S. currency, payable to “BNY Mellon/Macy’s.” To make a payment by check, mail the tear-off portion of your account statement along with your check to the Bank using the courtesy reply envelope provided. **Third party checks, cash, money orders, traveler’s checks, cashier’s**

checks and checks not drawn on a U.S. Bank or not in U.S. currency will not be accepted and will be returned to the sender.

For optional cash investments, purchases by the Bank are made at least once a week. Depending on the number of shares being purchased and current trading volume in the shares, purchases may be executed in multiple transactions and may be traded on more than one day. In the unlikely event that, due to unusual market conditions, the Bank is unable to invest the funds within 35 days, the Bank will return the funds to you by check. No interest will be paid on funds held by the Bank pending investment.

Purchases are usually made through a broker affiliated with The Bank of New York Mellon (the “Affiliated Broker”). The Affiliated Broker will receive brokerage commissions.

Optional cash investments may be rejected by the Bank if a Participant imposes any restrictions with respect to the number of shares to be purchased, the price at which the shares are to be purchased or the timing of when the purchase is to be made. When the Company pays a dividend, the Bank, in accordance with a Participant’s chosen dividend investment option, will use all or part of the cash dividend to purchase additional common shares.

In the event that a Participant’s optional cash investment check or EFT is returned unpaid for any reason, the participant will be charged a \$35.00 return fee. Further, the Bank will immediately remove from the Participant’s account shares that were purchased in anticipation of the collection of such funds plus the return fee. These shares will be sold to recover any uncollected funds and the return fee. If the net proceeds of the sale of such shares are insufficient to recover in full the uncollected amounts plus the return fee, the Bank reserves the right to sell such additional shares from any of the Participant’s accounts maintained by the Bank as may be necessary to recover in full the uncollected balance plus the return fee. The sale of such shares may, in some cases, yield an amount greater than that required to recover in full the uncollected balance plus the return fee. If this occurs, only amounts in excess of \$1.00 will be remitted to the Participant.

3. CAN I MAKE AUTOMATIC MONTHLY INVESTMENTS?

Once enrolled in the Plan, Participants may contact the Bank to arrange for automatic monthly investments via EFT. EFT payments are deducted monthly from the Participants’ designated account at any qualified financial institution that participates in the Automated Clearing House (“ACH”). Deductions are made on the 25th day of each month, or if such date is not a business day, the deduction will be made on the preceding business day.

For each optional cash investment made by EFT, Participants will incur transaction fees of \$2.00 plus \$0.10 per share purchased. These fees include brokerage fees and commissions. Such payments are subject to the minimum optional cash investment of \$50.00 per transaction, a maximum investment of \$10,000.00 per transaction and a maximum annual investment of \$120,000.00 per calendar year.

It is the responsibility of the Participant to immediately notify the Bank of any changes in EFT information as it relates to the Participant’s authorized monthly deductions. Participants may call the Bank’s toll-free number and request a new EFT Enrollment Form.

Participants should be aware that the share price may fluctuate between the time your purchase request is received by the Bank and the time purchase is made on the open market. The Bank may, at its own discretion, accept written requests to revoke instructions.

4. CAN I INVEST MY DIVIDENDS?

You may invest all or a portion of the cash dividends paid to you on your Macy's common shares. Following receipt of your instructions, the Bank will apply all or part of the cash dividend to the purchase of additional common shares. There is a service fee of 10% of the investment amount with a maximum of \$3.00 per dividend payment plus a trading fee of \$0.10 per share. Dividends are invested as promptly as practicable on or following the payable date. Depending on the number of shares being purchased and current trading volume in the shares, purchases may be executed in multiple transactions and may be traded on more than one day. In the unlikely event that, due to unusual market conditions, the Bank is unable to invest the dividends within 30 days, the Bank will remit the dividends to you by check. No interest will be paid on funds held by the Bank pending investment. You may change your reinvestment option at any time online using the Bank's website, www.bnymellon.com/shareowner/equityaccess, or by sending a new Enrollment Form to the Bank. Changes must be received by the Bank on or before the record date for that dividend.

Purchases are usually made through an Affiliated Broker. The Affiliated Broker will receive brokerage commissions.

5. WHAT OPTIONS FOR DIVIDEND INVESTMENTS ARE AVAILABLE?

A. ***"Full Dividend Investment."** If you elect this option, all your cash dividends on all shares now or subsequently registered in your name (including shares previously purchased for your account pursuant to the Plan) will be used to purchase additional shares.*

B. ***"Partial Dividend Investment."** If you elect this option, cash dividends on the number of shares which you designate in the appropriate space on the Enrollment Form or the online enrollment facility on the Administrator's website, and all of the cash dividends on shares purchased thereafter for your account pursuant to the Plan will be used toward the purchase of additional shares.*

6. CAN I ELECT TO HAVE MY CASH DIVIDENDS WIRED TO MY BANK OR OTHER FINANCIAL INSTITUTION?

If you elect to have all or a portion of your dividend paid in cash, this amount will be paid by check or can be directly deposited to your bank account via EFT. In order to take advantage of this option your bank or financial institution must be a member of the ACH. If you are interested in this option please log into your account online at www.bnymellon.com/shareowner/equityaccess or call the Bank's toll-free number.

7. HOW ARE SHARES PURCHASED?

The Bank aggregates all requests to purchase shares and then purchases the total shares on the open market on the exchange on which the shares are traded. The price per share cannot be determined prior to the purchase. The price per share purchased will reflect the per share transaction fee, and shall always be the average weighted price for all shares purchased for the Plan on the trade date or dates. Net dividend funds and optional cash investments from all Participants may be commingled to purchase shares. Purchases are usually made through an Affiliated Broker. The Affiliated Broker will receive brokerage commissions.

The Bank will credit your account for all full and fractional shares (to four decimal places) purchased on your behalf. Purchases with respect to optional cash investments are made at least once a week. In the unlikely event that, due to unusual market conditions, the Bank is unable to invest the funds within 35 days, the Bank will return the funds to you by check. No interest will be paid on funds held by the Bank pending investment. Purchases with respect to cash dividends are invested as promptly as practicable on or following the dividend payable date. In the unlikely event that, due to unusual market conditions, the Bank is unable to invest the dividends within 30 days, the Bank will remit the dividends to you by check. No interest will be paid on funds held by the Bank pending investment.

In either case, depending on the number of shares being purchased and current trading volume in the shares, purchases may be executed in multiple transactions and may be traded on more than one day. The purchase

price will not be known until the purchase is complete. A statement will normally be mailed to you by first class mail within two (2) business days following the final trade settlement date showing the purchase price, applicable transaction and trading fees (if any), and the number of shares credited to your account.

If the Company pays a dividend, a summary account statement showing all year-to-date transactions will be mailed to you, as soon as practicable following each dividend payment date. You may also request a statement at any time by calling the Bank or you can view your account online directly from our website at www.bnymellon.com/shareowner/equityaccess. You should retain these statements for your records. For your convenience, statements and transaction advices have a tear-off portion, which can be used to send instructions to the Bank for additional purchases, the issuance of certificates, the sale of shares, the termination of participation in the Plan or the deposit of certificates (see “Terms and Conditions” and “Costs to Participants,” for further information).

8. DOES THE PLAN ALLOW DEPOSIT OF CERTIFICATED SHARES?

If you own the Company common shares in certificated form, you may elect to deposit the shares represented by these certificates into your Plan account with the Bank. The Bank will credit these shares to your Plan account in book-entry form. To deposit certificated shares, send the certificates via registered mail, return receipt requested, to the Bank along with either, at the time of enrollment, your completed, signed Enrollment Form or the tear-off portion of your account statement with your written instructions regarding the deposit. **Please do not sign the stock certificate.** We recommend that you insure the package for 2% of the value of the shares, or \$25.00, whichever is greater. See Question 18, “How Do I Contact The Bank of New York Mellon,” for mailing instructions.

9. HOW CAN I SELL MY SHARES?

You may instruct the Bank to sell some or all shares held in your Plan account by one of the following methods:

- **Sale Orders via Internet**

You may instruct the Bank to sell some or all of your plan shares by placing a sale order via the Internet. To place a sale order, visit our website at www.bnymellon.com/shareowner/equityaccess (see Question 18, “How Do I Contact The Bank of New York Mellon”).

- **Sale Orders via Telephone / IVR System**

You may instruct the Bank to sell some or all of your plan shares by placing a sale order via the Interactive Voice Response (IVR) system or by speaking directly to a Customer Service Representative (CSR). To place a sale order, contact the Bank toll-free at 1-866-337-3311. Simply enter your Investor ID at the prompt and select the menu option for sales and follow the instructions provided.

- **Sale Orders via Mail**

You may instruct the Bank to sell some or all of your plan shares by completing and signing the tear-off portion of your account statement and mailing the instructions to the Bank. If there is more than one name or owner on the Plan account, all Participants must sign the tear-off portion of the account statement.

10. HOW ARE SHARES SOLD?

All sales transactions under the Plan are made through a broker affiliated with the Bank that will receive brokerage commissions in connection with such sales. Shares are sold on the exchange on which the common shares of the Company trade. The selling price may not be known until the sale is complete.

You may instruct the Bank to sell your shares under the Plan in one of four ways — through a Batch Order, Market Order, Day Limit Order or Good-Till-Cancelled (GTC) Limit Order.

Batch Order: In a Batch Order, the Bank will combine the shares you want to sell through the Plan with shares that are being sold by other Plan participants. Shares are then periodically submitted in bulk to an affiliated broker for sale on the open market. Your shares will usually be sold within one business day after the Bank receives your request, but no later than five business days (except where deferral is necessary under state or federal regulations). Depending on the number of shares being sold and current trading volume in the shares, bulk sales may be executed in multiple transactions and over more than one day. Once entered, a Batch Order request cannot be cancelled. Sales proceeds in a Batch Order transaction equal the market price that the broker receives for your shares (or, if more than one trade is necessary to sell all of the plan shares submitted to the broker on that day, the weighted average price for all such shares sold on the applicable trade date or dates), less applicable taxes and fees. Requests for Batch Orders may be placed online at www.bnymellon.com/shareowner/equityaccess, by telephone using the IVR system, through a CSR or in writing by completing and signing the tear-off portion of your account statement and mailing the instructions to the Bank.

Market Order: A Market Order is a request to sell your shares at the prevailing market price when the trade is executed. If such an order is placed during market hours, the Bank will promptly submit your shares to an affiliated broker for sale on the open market (such orders cannot be cancelled). If such an order is placed outside of market hours, the Bank will submit your shares to an affiliated broker on the next trading day (any requests to cancel such an order will be honored on a best efforts basis).

Day Limit Order: A Day Limit Order is an order to sell your shares when and if the stock reaches a specific price on a specific day. The order is automatically cancelled if the price is not met by the end of that trading day (or, for orders placed outside of market hours, the next trading day). Depending on the number of shares being sold and current trading volume in the shares, your order may only be partially filled, in which case the remainder of your order will be cancelled. Any request to otherwise cancel a pending Day Limit Order will be honored on a best efforts basis.

Good-Till-Cancelled (GTC) Limit Order: A GTC Limit Order is an order to sell your shares when and if the stock reaches a specific price at any time while the order remains open (up to 90 days). Depending on the number of shares being sold and current trading volume in the shares, sales may be executed in multiple transactions and may be traded on more than one day. The order (or any unexecuted portion thereof) is automatically cancelled if the price is not met by the end of the order period. The order also may be cancelled by the applicable stock exchange or by shareholder request.

Sales proceeds in Market Orders, Day Limit Orders and GTC Limit Orders equal the market price that the broker receives for your shares, less applicable taxes and fees. Requests for such transactions may only be placed online at www.bnymellon.com/shareowner/equityaccess, by telephone using the IVR system or through a CSR. Any sale request received in writing will be processed as a Batch Order request.

A check for the proceeds of the sale of shares (in U.S. dollars), less applicable taxes and fees, will generally be mailed to you by first class mail within four business days after the final trade settlement date. If you sell shares through a Market Order, Day Limit Order or GTC Limit Order, you may choose to receive sales proceeds in a foreign currency or by wire or direct deposit. These services are subject to additional fees and additional terms and conditions, which you must agree to when submitting the transaction.

All sales are subject to market conditions, system availability and other factors. The actual sale date or price received for any shares sold through the Plan may not be guaranteed.

The fees charged in connection with the sale of shares are described in detail in the section titled "Costs To Participants" in the attached "*BuyDIRECT* Terms and Conditions".

If you want to sell shares through your own broker, you may request the Bank to transfer shares electronically from your Plan account to your brokerage account. Alternatively, you may request a stock certificate that you can then deliver to your broker. See Question 11, “Can I Request Shares in a Stock Certificate?” for more information about certificate requests.

Plan participants must perform their own research and must make their own investment decisions. Neither the Bank nor any of its affiliates will provide any investment recommendations or investment advice with respect to transactions made through the Plan.

11. CAN I REQUEST SHARES IN A STOCK CERTIFICATE?

You may request that the Bank issue a stock certificate for some or all of the shares (whole shares only) held in your Plan account. Please note that fractional shares *cannot* be issued in certificate form. To have a stock certificate issued, simply complete, sign and return the tear-off portion of the account statement. Requests for certificates may also be made via the Bank’s website or by telephone using the IVR. There is no fee for this service.

12. HOW CAN I TRANSFER SHARES?

Transfers can be made in book-entry or certificated form at any time. In order to transfer shares, you will need to complete a Transfer Instruction Package. Simply visit the Bank’s Stock Transfer website at www.bnymellon.com/shareowner/equityaccess to download the form or call the Bank’s toll-free number to request one. Please remember that you must obtain a Medallion Signature Guarantee for any transfer of shares.

A Medallion Signature Guarantee insures that the individual signing the request for transfer is the owner or authorized representative. It can be obtained from financial institutions (including many banks and brokerage firms) participating in one or more of the Medallion Signature Guarantee programs. Book-to-book transfers, which involve transferring shares from an existing Plan account to a new Plan account, should follow the steps listed below.

- Visit the Bank’s website www.bnymellon.com/shareowner/equityaccess or call the Bank’s toll-free telephone number to request a Plan brochure and Enrollment Form for each new Participant’s account. Complete the form(s), providing the full registration name, address and social security number of each new Participant. Each new participant must sign the Enrollment Form.
- The completed Enrollment Form should be sent along with a written request indicating the number of shares (full and fractional) that should be transferred to the new Participant’s account. All existing Participants in the current Plan account must sign the instructions and their signatures must be Medallion Guaranteed as discussed above.
- Unless otherwise instructed on the Enrollment Form, dividends for the shares in the new Participant’s account will be automatically reinvested. A confirmation advice of the transfer will be sent to new Participants.

13. HOW CAN I TERMINATE MY PARTICIPATION IN THE PLAN?

You may discontinue the reinvestment of dividends at any time by notifying the Bank. Notice may be made by telephone, in writing or by changing your dividend election on the Bank’s website. To be effective for a given dividend payment, the Bank must receive notice by the record date of that dividend. **The Bank will continue to hold your shares unless you request them to be sold or issued.** To do so, simply complete the tear-off portion of an account statement and mail it to the Bank. Withdrawals may also be processed via the Bank’s website or by phone using the Bank’s Interactive Voice Response system (the “IVR”). Upon receipt of your instructions, a certificate for the full shares held in the Plan account will be issued or sold and any fractional shares held in the Plan account will also be sold. You will receive a check for the proceeds, less applicable taxes and transaction fees, from any sale of shares.

14. MAY WE TERMINATE A PARTICIPANT’S PLAN PARTICIPATION?

Yes. If a participant does not maintain at least one whole share of common stock in the Plan account or does not own any common stock of record for which cash dividends are designated for reinvestment pursuant to the Plan, we may terminate the participant’s participation. A participant whose participation has been terminated will receive a check for the cash value of any fractional share in the Plan account less applicable fees and taxes.

15. WHAT HAPPENS IF THE COMPANY ANNOUNCES A RIGHTS OFFERING?

In the event that the Company makes available to its shareholders any rights to subscribe for additional common stock, the right to subscribe will be based on the total number of shares owned, both inside and outside the Plan. Any new shares distributed by the Company resulting from the exercise of the rights will be issued directly to the Participant.

**16. WHAT HAPPENS IF THE COMPANY ISSUES A DIVIDEND PAYABLE IN SHARES OR
DECLARES A SHARE SPLIT?**

Any share dividends or split shares distributed by the Company on shares that are held in a Plan account will be added to the Participant’s existing Plan account. This will include all whole and fractional shares. In addition, any share dividends or split shares distributed on participating shares that are not held in a Plan account but are registered in the name of the Participant will also be added to the Participant’s existing Plan account. Processing of buys, sells and transfers may be temporarily suspended during such distributions or other corporate actions.

**17. WHO WILL VOTE THE SHARES HELD IN THE PLAN AT SHAREHOLDERS’
MEETINGS?**

Participants in the Plan will receive voting materials and have the sole right to vote the common stock of Macy’s represented by whole shares (fractional shares will not be included) purchased for such Participant which are held by the Bank under the Plan on the record date for a vote. Participants will receive only one proxy card in respect of any shareholders’ meeting which will apply to all shares registered in such holder’s name at the Bank, including whole shares credited to a Participant’s account under the Plan.

18. HOW DO I CONTACT THE BANK OF NEW YORK MELLON?

For information regarding the Plan, please contact The Bank of New York Mellon through one of the following ways:

Website: www.bnymellon.com/shareowner/equityaccess

Toll-free number: **1-866-337-3311**

International number: **1-201-680-6685**

For the Hearing Impaired (TDD): **1-800-231-5469**

An automated voice response system is available 24 hours a day, 7 days a week. Customer Service Representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Time, Monday through Friday (except holidays).

Or write to:

Macy's, Inc.
c/o BNY Mellon Shareowner Services
P.O. Box 358035
Pittsburgh, PA 15252-8035

Be sure to include your name, address, daytime phone number, Investor Identification Number and a reference to Macy's, Inc. on all correspondence.

Internet:

You can enroll, change your dividends election, obtain information, and perform certain transactions on your account online via Investor ServiceDirect[®] (ISD) at www.bnymellon.com/shareowner/equityaccess.

In order to access your account through ISD you will need to register through EquityAccess at www.bnymellon.com/shareowner/equityaccess and create a Personal ID and Password. To begin, you will need your 12-digit Investor ID, which can be found on your check stub, statement, or advice. Select Investor ID as your login method and click continue. Please follow the prompts to complete the EquityAccess registration process.

For added security, to safeguard your assets, BNY Mellon Shareowner Services requires you to authenticate your identity when you register to access your account online. If you are a U.S. resident, you may authenticate your identity online by answering a series of questions. If you choose not to utilize the online authentication process, or you are not a U.S. resident, your individual authentication code will be sent to you via the U.S. Postal Service.

BuyDIRECT
TERMS AND CONDITIONS
of The Plan for Shareholders of
Macy's, Inc. Common Stock

1. Introduction

The purpose of *BuyDIRECT*, (the "Plan"), is to provide registered shareholders of Macy's, Inc. ("Macy's", also the "Company") common stock and other interested first-time investors with a simple, and convenient method of investing in Macy's common shares. The Plan is administered by The Bank of New York Mellon (the "Bank").

Enrollment in the Plan is voluntary and may not be available to investors in certain countries. Persons residing outside the United States should determine whether they are subject to any governmental regulation prohibiting their participation.

2. Share Purchases/Optional Cash Investments/Investing Dividends

All purchases of shares will be made in the open market on the exchange on which the shares are traded. Purchases are usually made through a broker affiliated with The Bank of New York Mellon ("Affiliated Broker"). The Affiliated Broker will receive brokerage commissions. The price per share cannot be determined prior to the purchase. The price per share purchased shall always be the average weighted price of all shares purchased for the Plan on that trade date or dates plus the per share transaction fee. Depending on the number of shares being purchased and current trading volume in the shares, purchases may be executed in multiple transactions and may be traded on more than one day. The purchase price will not be known until the purchase is complete. For optional cash investments, purchases are made at least once every five business days. In the unlikely event that, due to unusual market conditions, the Bank is unable to invest the funds within 35 days, the Bank will return the funds to you by check. In addition, if the Bank is unable to invest the dividends within 30 days, the Bank will remit the dividends to you by check. No interest will be paid on funds held by the Bank pending investment.

Statements will normally be mailed to Participants by first class mail within two (2) business days following the final trade settlement date showing the purchase price, transaction fee, and the number of shares credited to each Participant's account. Optional cash investments must be made either by Electronic Funds Transfer ("EFT") or check drawn on a U.S. Bank, in U.S. currency, payable to "BNY Mellon/Macy's." **Cash, third party checks, money orders, traveler's checks or cashier's checks will not be accepted.** EFT deductions are made on the 25th day of each month, or if such date is not a business day, the deduction will be made on the preceding business day.

For each optional cash investment made by check, Participants will incur transaction fees of \$5.00 plus \$0.10 per share purchased. For each optional cash investment made by EFT, Participants will incur transaction fees of \$2.00 plus \$0.10 per share purchased. These fees include brokerage fees and commissions. Such payments are subject to the minimum optional cash investment of \$50.00 per transaction, a maximum investment of \$10,000.00 per transaction and a maximum annual investment of \$120,000.00 per calendar year.

Dividends and other cash distributions are paid in U.S. dollars and the dividend payable date is the date on which shareholders are paid. Dividend purchases are invested as promptly as practicable on or following the dividend payable date and may be commingled with the optional cash investments on that trade date. There is a service fee of 10% of the investment amount with a maximum of \$3.00 per dividend payment plus a trading fee of \$0.10 per share. Shares purchased will be credited to each Participant's account in book-entry form (computed to four decimal places). Participants may change their dividend investment options at any time by accessing their account online at www.bnymellon.com/shareowner/equityaccess or by completing and

sending a new Enrollment Form to the Bank. Changes must be received by the Bank on or before the record date for that dividend (see Question 18, “How Do I Contact The Bank of New York Mellon”).

3. Share Sales

All sales transactions under the Plan are made through an Affiliated Broker that will receive brokerage commissions in connection with such sales. Shares are sold on the exchange on which the common shares of the Company trade. The selling price may not be known until the sale is complete.

Plan participants may instruct the Bank to sell shares under the Plan in one of four ways — through a Batch Order, Market Order, Day Limit Order or Good-Till-Cancelled (GTC) Limit Order.

Batch Order: In a Batch Order, the Bank will combine the shares being sold through the Plan by all Plan participants. Shares are then periodically submitted in bulk to an Affiliated Broker for sale on the open market. Shares will usually be sold within one business day after the Bank receives a participant’s request, but no later than five business days (except where deferral is necessary under state or federal regulations). Depending on the number of shares being sold and current trading volume in the shares, bulk sales may be executed in multiple transactions and over more than one day. Once entered, a Batch Order request cannot be cancelled. Sales proceeds in a Batch Order transaction equal the market price that the broker receives for the shares (or, if more than one trade is necessary to sell all of the Plan shares submitted to the broker on that day, the weighted average price for all such shares sold on the applicable trade date or dates), less applicable taxes and fees. Requests for Batch Orders may be placed online at www.bnymellon.com/shareowner/equityaccess, by telephone using the Interactive Voice Response (IVR) system, through a Customer Service Representative (CSR) or in writing by completing and signing the tear-off portion of the account statement and mailing the instructions to the Bank.

Market Order: A Market Order is a request to sell shares at the prevailing market price when the trade is executed. If such an order is placed during market hours, the Bank will promptly submit the shares to an Affiliated Broker for sale on the open market (such orders cannot be cancelled). If such an order is placed outside of market hours, the Bank will submit the shares to an Affiliated Broker on the next trading day (any requests to cancel such an order will be honored on a best efforts basis).

Day Limit Order: A Day Limit Order is an order to sell shares when and if the stock reaches a specific price on a specific day. The order is automatically cancelled if the price is not met by the end of that trading day (or, for orders placed outside of market hours, the next trading day). Depending on the number of shares being sold and current trading volume in the shares, such an order may only be partially filled, in which case the remainder of the order will be cancelled. Any request to otherwise cancel a pending Day Limit Order will be honored on a best efforts basis.

Good-Till-Cancelled (GTC) Limit Order: A GTC Limit Order is an order to sell shares when and if the stock reaches a specific price at any time while the order remains open (up to 90 days). Depending on the number of shares being sold and current trading volume in the shares, sales may be executed in multiple transactions and may be traded on more than one day. The order (or any unexecuted portion thereof) is automatically cancelled if the price is not met by the end of the order period. The order also may be cancelled by the applicable stock exchange or by shareholder request.

Sales proceeds in Market Orders, Day Limit Orders and GTC Limit Orders equal the market price that the broker receives for the shares, less applicable taxes and fees. Requests for such transactions may only be placed online at www.bnymellon.com/shareowner/equityaccess, by telephone using the IVR system or through a CSR. Any sale request received in writing will be processed as a Batch Order request.

A check for the proceeds of the sale of shares (in U.S. dollars), less applicable taxes and fees, will generally be mailed to Plan participants by first class mail within four business days after the final trade settlement date.

If a Plan participant sells shares through a Market Order, Day Limit Order or GTC Limit Order, the participant may choose to receive sales proceeds in a foreign currency or by wire or direct deposit. These services are subject to additional fees and additional terms and conditions, which the participant must agree to when submitting the transaction.

All sales are subject to market conditions, system availability and other factors. The actual sale date or price received for any shares sold through the Plan may not be guaranteed.

The fees charged in connection with the sale of shares are described in detail in the section titled “Costs To Participants” set forth below.

If a Plan participant wants to sell shares through its own broker, the participant may request the Bank to transfer shares electronically from the participant’s Plan account to its brokerage account. Alternatively, a participant may request a stock certificate that it can then deliver to its broker. See “Requests for Certificates or Transfer of Shares” below for more information about certificate requests.

Plan participants must perform their own research and must make their own investment decisions. Neither the Bank nor any of its affiliates will provide any investment recommendations or investment advice with respect to transactions made through the Plan.

4. Requests for Certificates or Transfer of Shares

Participants may request that the Bank issue a certificate for some or all of the shares (whole shares only) held in the Participant’s account at any time. Please note that fractional shares *cannot* be issued in certificate form. To have shares issued Participants can submit a request via the Bank’s website or by phone using the IVR. Alternatively, Participants may complete, sign and return the tear-off portion of their account statement.

Participants may request the transfer of Plan shares. Transfers can be made in book-entry, or certificated form at any time. In order to transfer shares, a participant will need to complete a Transfer Instruction Package. A Transfer Instruction Package may be obtained from the Bank’s Stock Transfer website at www.bnymellon.com/shareowner/equityaccess or by calling the toll-free number to request one. A Medallion Guarantee will be required for any transfer of shares and can be obtained from any financial institution (including many banks and brokerage firms) participating in one or more of the Medallion Guarantee programs. Participants can also request book-to-book transfers, which involve transferring shares from an existing Plan account to a new Plan account (see Question 12, “How Can I Transfer Shares?”).

5. Deposit of Certificated Shares

If a Participant owns Macy’s common shares in certificated form, he or she may elect to deposit the shares represented by such certificates into his or her Plan account with the Bank. The Bank will credit these shares to the Participant’s Plan account in book-entry form.

To deposit certificated shares, a Participant should send the certificates via registered mail, return receipt requested, to the Bank along with either, at the time of enrollment, a completed, signed Enrollment Form or, with the tear-off portion of their account statement with written instructions regarding the deposit. **Please remember — do not sign the stock certificate.** We recommend that the Participant insure the package for 2% of the value of the shares, or \$25.00, whichever is greater. (See Question 18, “How Do I Contact The Bank of New York Mellon”, for mailing instructions).

6. Account Statements

If the Company pays a dividend, a summary account statement showing all year-to-date transactions will be mailed to each Participant as soon as practicable following each dividend payment date. If no dividends are paid by the Company a summary account statement showing all year-to-date transaction activity will be mailed to you on an annual basis, usually in January, reflecting the preceding year’s activity. Participants may also

request a statement for their account at any time by calling the Bank's toll-free number or by viewing their account online directly from the Bank's website at www.bnymellon.com/shareowner/equityaccess. Participants should retain these statements for their records.

ADDITIONAL TERMS AND CONDITIONS

Affiliates of the Company are not eligible to participate in the Plan. The Plan is not intended for use by institutional investors or financial intermediaries. Enrollment in the Plan is voluntary and may not be available to investors in certain countries. Initiation of a transaction(s), including optional cash investments, dividend investment, depositing certificated shares into the Plan and/or selling or purchasing shares, shall establish an agency relationship by the Participant with the Bank.

Distribution of Rights/Rights Proceeds

In the event that the Company makes available to its shareholders any rights to subscribe for additional common stock, the rights to subscribe will be based on the total number of shares owned, both inside and outside the Plan. Any new shares distributed by the Company resulting from the exercise of the rights will be issued directly to the Participant.

Corporate Actions, Distribution of Stock Dividends/Stock Splits

Any share dividends or split shares distributed by the Company on shares that are held in a Plan account will be added to the Participant's existing Plan account. This will include all whole and fractional shares. In addition, any share dividends or split shares distributed on participating shares that are not held in a Plan account but are registered in the name of the Participant will also be added to the Participant's existing Plan account. Processing of buys, sells and transfers may be temporarily suspended during such distributions or other corporate actions.

Voting/Annual Meetings

Participants in the Plan will receive voting materials and have the sole right to vote the common stock of the Company represented by whole shares (fractional shares will not be included) which are held by the Bank for such Participant under the Plan on the record date for a vote. Participants will receive only one proxy card in respect of any shareholders' meeting which will apply to all shares registered in such holder's name at the Bank, including whole shares credited to a Participant's account under the Plan.

Tax Reporting

Generally, the Bank is required to report to both the Participant and the U.S. Internal Revenue Service information regarding dividend amounts paid by the Company as well as any proceeds a Participant received from the sale of the shares, rights or other securities. The tax consequences of participating in the Plan can vary depending on each Participant's tax situation. Accordingly, each Participant is responsible for determining the tax effect of Plan participation and should consult with their tax advisor with respect to the current and proposed federal, state, local, foreign and other tax laws.

Liability

Neither the Company nor the Bank will be liable for any losses or liability howsoever incurred by Participants arising from, related to or in connection with the administration of the Plan or the Bank's actions or non-actions with respect to the Plan (including by way of example and not by way of limitation any losses or claim of liability arising from (i) the failure to terminate a Participant's account, sell shares in the Plan or invest optional cash investments or dividends without prior receipt of proper documentation and instructions; (ii) the prices at which shares are purchased or sold for the Participant's account, the timing of such purchases and sales, and the fluctuation of prices of the shares (a) between the receipt of cash or dividends for investment and such investment, (b) between the receipt of instructions to sell and such sale and (c) after the purchase and sale of shares, and (iii) the transfer of shares from Participant's account to a broker pursuant to the Profile Program of The Depository Trust Company) except for such losses and liabilities caused by the gross negligence or willful misconduct of the Bank; and Participant shall indemnify and hold harmless the Bank

from all losses and liabilities incurred by the Bank (including losses and liabilities arising from disputes with Participant) other than those caused by the Bank's gross negligence or willful misconduct. In no event shall the Bank be liable for special, consequential or punitive damages or losses due to forces beyond its control (including by way of example and not by way of limitation strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware services)).

These Terms and Conditions and the administration of the Plan and the Bank's duties and responsibilities under the Plan shall be governed by the substantive laws (and not the choice of law rules) of the State of New York; all proceedings relating to the Plan shall be brought by Participant only in courts located in the City of New York; and Participants waive their right to trial by jury.

The Bank reserves the right to modify the Plan including the right to terminate the Plan upon notice to Plan Participants. In addition, the Bank reserves the right to interpret and regulate the Plan as it deems necessary or desirable in connection with its operation.

Shares are not insured by the FDIC or any other government agency, are not deposits or other obligations of, and are not guaranteed by, the Bank, and are subject to investment risks, including possible loss of principal amount invested. The Bank and the Company provide no advice and make no recommendations with respect to purchasing or selling shares of the Company. Any decision to purchase or sell must be made by each individual Participant based on his or her own research and judgment. Nothing herein shall be deemed to constitute an offer to sell or a solicitation to buy share(s) of the Company.

Important Note: Shares held in *BuyDIRECT* are not subject to protection under the Securities Investor Protection Act of 1970.

COSTS TO PARTICIPANTS

Listed below are the costs incurred by Participants of **BuyDIRECT**. *The fees are subject to change at any time. This is considered part of the “Terms and Conditions” of the Plan.*

Initial Enrollment Fee	\$10.00 (one-time charge, per account, for first-time investors)
Optional Cash Investments	
By Check	\$5.00 per investment plus \$0.10 per share purchased
By EFT debit	\$2.00 per investment plus \$0.10 per share purchased
Reinvestment of Dividends	
Transaction Fee	10% of the dividend amount up to a maximum of \$3.00 plus \$0.10 per share purchased
Sale of Shares	
Batch Order	\$15.00 per transaction plus \$0.10 per share sold
Market Order	\$25.00 per transaction plus \$0.12 per share sold
Day Limit Order	\$30.00 per transaction plus \$0.12 per share sold
GTC Limit Order	\$30.00 per transaction plus \$0.12 per share sold
Alternative Currency Disbursement Fees	
U.S.\$ or Foreign Currency Wire	\$50.00 per transaction
Foreign Check	\$15.00 per transaction
EFT (Direct Deposit — U.S.\$ only)	\$10.00 per transaction
Convenience Fees	
CSR Assisted Sale	\$15.00 per transaction
Deposit of Certificates	
	No Charge
Certificate Withdrawal	
	No Charge
Book-to-Book Transfers	
	No Charge
Minimum Optional Cash Investments	
Minimum initial investment by non-registered holders	\$500.00
Minimum investment by existing registered holders	\$50.00
Maximum Optional Cash Investments	
Maximum amount per transaction by holders (first-time non-registered and existing registered holders)	\$10,000.00
Maximum Aggregate Investment Per Calendar Year	\$120,000.00
Return of Investment Check or EFT	\$35.00