



GOVERNMENT AFFAIRS POLICIES

PROCEDURE: 14-999-00301

PROCEDURE STATUS: REVISED (updated June 2019)

EFFECTIVE: June 1, 2015 (Supersedes All Prior Versions)

ATTENTION: All Associates

ORIGINATOR: Law Department, Government and Public Affairs Practice Group

OBJECTIVE: To assure legal compliance and proper tax and accounting treatment of political contributions and payments made to trade associations, and to maximize the benefit of Company involvement in legislative activities.

KEY POINTS:

- Payments for Association Dues, Political Contributions and Lobbying Expenses require Law Department approval
- All legislative activity is directed by the Government and Public Affairs Practice Group in the Law Department.
- Associates must not testify on the Company's behalf without guidance and approval from the Law Department.
- All requests for associates to support legislative initiatives (grassroots campaigns) must be approved by the Law Department and participation by associates is voluntary.

GOVERNMENT AFFAIRS POLICIES

I. Corporate Policy on Political Contributions

Macy's, Inc. (the "Company") is committed to being a good corporate citizen. We take an active part in the communities where we live and work. Our participation in legislative and governmental affairs reflects the same tradition of pride, honor and integrity that characterizes the Company's business generally.

1. No associate of the Company or any affiliate of the Company shall make any political contribution using Company funds or assets except as authorized in these Government Affairs Policies. The term "Political Contribution" includes payments to support or oppose any federal, state or local political party, political candidate or candidate committee, as well as payments to support or oppose any ballot issue campaign.
2. Any associate may recommend or request that the Company make a Political Contribution by contacting the Group Vice President, Government and Public Affairs.
3. All Political Contributions are subject to the Procedure for Processing Requests for Payments of Association Dues, Political Contributions and Lobbying Expenses section of these Policies.
4. All Political Contributions must be made directly by the Company. Under no circumstances will any associate be reimbursed directly or indirectly for any Political Contribution.
5. All Political Contributions must be made in strict compliance with all applicable laws.
6. In considering a Political Contribution, the factors to be considered include, but are not limited to, a candidate's/committee's:
 - Public integrity;
 - Record on retail issues specifically and business issues generally;
 - Demonstrated willingness to support the retail position as issues arise;
 - Positions on non-retail issues that might reflect poorly on the Company's objectives, interests or values;
 - Past, present or potential service as a legislative leader;
 - Representation of a geographical area where the Company has a business presence;

Questions regarding this policy should be directed to Charles R. Miller, GVP, Government and Public Affairs, 646-429-7346, or email at charles.miller@macys.com.

The Company maintains the sole and exclusive right to change, modify or discontinue this Policy at any time with or without notice.

- Service on a committee with jurisdiction over legislation important to the Company;
 - Prior committee assignments;
 - History of contributors; and
 - Past or present endorsement by the National Retail Federation, a state retail association or other business groups.
7. In no event should a Political Contribution be given on a *quid pro quo* basis or under circumstances where it reasonably could be so construed. If there is doubt the Political Contribution should not be made.
 8. Under no circumstances may Company funds or assets be contributed or used to support or oppose a candidate (or related political organization) for any federal elected office. Any such contribution or use is a violation of this Policy and could be illegal under Federal Law.
 9. Under no circumstances may any aircraft or motor vehicle owned or leased by the Company be used to benefit a public official or candidate or the official's or candidate's staff or family.
 10. Periodically a Committee of the Board of Directors will review the Company's Policy on Political Contributions.

II. Procedure for Processing Payments of Association Dues, Political Contributions and Lobbying Expenses

A. Purpose

Subject to the Corporate Policy on Political Contributions, the Company from time to time may wish to (i) contribute to a candidate for public office, a ballot issue campaign or a political action committee, (ii) make a payment to a political, trade, community, business, professional or other association, or (iii) retain a lobbyist or governmental representative. This Procedure is intended to assure that each such action is legal, receives proper tax and accounting treatment, and is reported as required by applicable campaign finance laws. This Procedure applies in addition to any other Company requirements.

B. Application

1. This Procedure applies to the following Company payments and contributions:
 - a. Payments of dues, special assessments and other amounts to trade, community, business, professional or other associations.
 - b. Contributions to political action committees, state or local political parties, candidates or candidate committees, whether made directly or indirectly, including contributions to support or oppose legislation or ballot issue campaigns, as well as costs incurred by the Company for advertising of any kind in connection with any type of political function, fund-raiser or political convention.
 - c. Expenses associated with entertaining an elected official or the official's staff or family.
 - d. Payments to engage a lobbyist or governmental representative for any purpose.
2. The following payments and contributions need not be processed in accordance with this Procedure:
 - a. Payments of dues, special assessments and other amounts to trade, community, business, professional or other associations made pursuant to an annual budget approved in advance by the Vice President, Government and Public Affairs.
 - b. Payments to a trade, business or professional association for a Company membership where the invoice is for periodic or recurring dues and the portion of the payment identified by the association for "lobbying" does not exceed ten percent (10%).
 - c. Payments to support or attend an event hosted by a trade, business or professional association where no amount of the payment is designated or used to support a political action committee, candidate

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or lobbying activity and no Company representative (other than a member of the Government and Public Affairs Practice Group) is attending for the express purpose of communicating directly with an elected official on behalf of the Company about a pending legislative or administrative matter.

- d. Payments to a trade, business or professional association for the individual membership of a Company associate. Examples include the American Institute of Certified Public Accountants, the American Society of Structural Engineers and bar association dues.
- e. Contributions to charitable or benevolent organizations including, but not limited to, hospitals, educational institutions, fraternal or beneficial associations which are recognized as tax-exempt pursuant to IRC Sec. 501(c) (3), provided that the tax-exempt, charitable or benevolent organization is not operated under the management or direction of a public official and the funds will not be used for lobbying purposes.

C. Request and Clearance Procedure

All requests for clearance of proposed payments or contributions required by this Procedure should be made in writing in advance (except where it is impracticable) to the Group Vice President, Government and Public Affairs.

1. Each request shall be made by memo or e-mail and should include the:
 - a. Name and address of the organization and/or person to which the contribution or payment will be made;
 - b. Amount of the contribution or payment;
 - c. Purpose or intended use of the payment or, in the case of a contribution, the office the candidate seeks (unless the purpose or candidate is clear from the request); and
 - d. Portion (if any) that is for lobbying/political activities and therefore nondeductible.
2. The Law Department will review the proposed contribution or payment and respond by memo or email to the person initiating the request.
3. All proposed expenditures require the approval of the Group Vice President, Government and Public Affairs. Proposed expenditures of greater than \$5,000 require the additional approval of the Chief Legal Officer.
4. All payments approved hereunder should be made by Company check made payable directly to the applicable political, trade, community, business, professional or other organization.
5. The Group Vice President, Government, Legal and Public Affairs, will retain written copies of all requests and approvals as specified in the Company's records retention policy.

III. Procedures for Company Involvement in Political Activities

A. Lobbying

Some jurisdictions require corporate employees who seek to influence legislation on behalf of their employer to register and report their expenditures and expenses. To assure compliance with these laws, Company associates are required to seek clearance from the Group Vice President, Government and Public Affairs prior to communicating directly with an elected official, or the official's staff, on behalf of the Company about a pending legislative matter at a meeting arranged for that purpose (other than routine zoning and other property-related matters). Some Company executives meet with elected officials on behalf of the company in the regular course of their employment and are not required to seek specific clearance under this paragraph, including the Chairman and Chief Executive Officer and the Vice Presidents, Government and Public Affairs.

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B. Clearing Public Testimony

1. It is the Company's policy that, whenever possible, it will be represented in public testimony on public policy matters by a surrogate (i.e., a retail association or other appropriate trade group).
2. If the use of a surrogate is not desirable, the Company may have an appropriate representative testify at a hearing only after a Government Affairs Executive determines that:
 - It is appropriate and consistent with the Company's branding and core values for the Company's position on the issue to be publicized through public testimony;
 - No confidential or sensitive Company information will be included in the testimony; and
 - There are no Company activities or initiatives pending in the jurisdiction that would be affected adversely by the Company's public testimony on the issue.
3. If the Government Affairs Executive determines that a Company representative should testify at a hearing, he or she will provide a copy of the proposed testimony or talking points for approval to the Senior Vice President, Corporate Communications and External Affairs and the Group Vice President, Government and Public Affairs.
4. If a Company representative is approved to testify at a hearing, a representative of the retail association should attend the hearing with the Company representative. Any sensitive areas should be thoroughly discussed with an understanding that the retail association will handle any questions concerning those areas. If the Company representative is not a member of the Government and Public Affairs Practice Group, then a Government Affairs Executive generally should also attend the hearing with the Company representative.
5. Unless other arrangements have been approved, the Company representative should not submit to an interview with the media and should refer any questions to the applicable retail association. Corporate Communications should be advised of any follow-up questions or requests arising from the hearing.

C. Joining a Legislative or Political Coalition

From time to time the Company is asked to join a coalition, or to be included in a list of entities, that supports or opposes a legislative or political cause or proposition. Any decision to join such a coalition, or be included in such a list, should be approved following the procedures described above in Section B. Any financial contribution to support or oppose a legislative or political cause or proposition must be processed for approval under the Procedure for Processing Requests for Payments of Association Dues, Political Contributions and Lobbying Expenses.

D. Asking Company Executives to Support a Legislative Initiative

From time to time a Government Affairs Executive may wish to request the assistance of Company Executives (the "Communicators") to support a legislative initiative through voluntary communications with elected or appointed officials ("Grassroots Communication"). The Government Affairs Executive first will secure the approval of the supervisory executive of the Communicators and then follow the procedures outlined above for public testimony. Unless it is not possible, Grassroots Communication should utilize e-mail and, upon receiving the necessary approvals, the Government Executive will provide the Communicators with applicable e-mail addresses or other contact information for the officials along with a script for the Grassroots Communication. Costs incurred in connection with approved Grassroots Communications are not subject to the Procedure for Processing Requests for Payments, of Association Dues, Political Contributions and Lobbying Expenses.