

INTRODUCTION

Macy's believes that stock options give you the perspective of a shareholder by focusing on the Company's long-term goals and objectives. Stock options increase the potential of your total compensation package by allowing you to buy a specified number of Macy's common stock shares at an established price ("grant price") at a future date. As the trading price of Macy's stock increases, so does the value of your stock options. The choices you make regarding the timing of exercising your stock options can significantly impact the value of your stock option award.

For example, if the grant price of the stock option award is \$30 and you exercise the stock options when Macy's stock is trading at \$40, you earn \$10 on each share, less required tax withholdings and brokerage fees. However, if Macy's stock is trading at \$45 when you exercise, you will earn \$15 on each share, less required tax withholdings and brokerage fees.

STOCK OPTION DOCUMENTS

The official documents (i.e., stock option award letter and the terms and conditions) show the number of stock options awarded to you, the grant prices, the vesting schedules, and the terms of your stock options. For your convenience, this fact sheet summarizes the major points related to your stock options, but the specific terms and conditions of each stock option award may vary based on when the award was granted. Please refer to the official documents for detailed information regarding your awards. The official documents are available on the Computershare website or on "in-site," the Macy's associate services portal.

VESTING SCHEDULE

Each stock option award has a waiting period, or "vesting schedule," before the stock options can be exercised. Most stock options "vest" (i.e., become exercisable) twenty-five percent (25%) each year for four (4) years beginning on the one year anniversary of the grant date. You may exercise your stock options after they have vested. The official documents specify the vesting schedules for each award, which may be different than twenty-five percent (25%) per year for four (4) years.

COMPUTERSHARE PLAN ADMINISTRATION

Computershare administers stock option awards for Macy's. You can request or model an exercise, review information about your stock option award(s) and/or activity and request duplicate tax forms on the Computershare website, Interactive Voice Response (IVR) System, or by contacting a Customer Service Representative (CSR).

HOW TO ACCESS YOUR INFORMATION

There are several ways to access your stock option account:

1. **Internet** (www.computershare.com/employee/us) either type in the website address in your browser or access the site through Macy's "in-site" by selecting the Stock link under the Payroll menu. Some key website terms are defined below:
 - **User ID** - The ID you set up during your initial logon to the website.
 - **Global Identifier** - your 9-digit Social Security Number.
 - **Password/PIN** - If you have forgotten your password and/or PIN, please contact a Computershare CSR at 1-866-337-7862 to request a new password and/or PIN. For security purposes, Computershare cannot provide it over the phone. Consequently, you will not be able to conduct a transaction through the website or the IVR system while you are waiting for your new password and/or PIN to arrive. You may transact via a CSR without a Password and/or PIN.

Once you access the website, enter "Macys" into the "Company Name" field on the first page displayed to you. The next page will ask if you are an "Existing User" or "New User."

Select Existing User, if you *have* previously accessed your account online and created a Personal ID. On the next webpage, you will enter your Personal ID into the "User ID" field of the new website and enter your Password when prompted through the process.

Select New User, if you *have not* previously accessed your account online. On the next webpage, you will be asked to provide your Global Identifier and PIN. The system will walk you through the setup of a User ID and password.

**HOW TO ACCESS YOUR
INFORMATION
(continued)**

**EXERCISING YOUR STOCK
OPTIONS**

2. **Interactive Voice Response (IVR) System**
1-866-337-7862

You must use a touch-tone telephone and have your Global Identifier (9-digit Social Security Number) and PIN to use the system. The IVR system is available 24 hours a day, 7 days a week.

3. **Customer Service Representative (CSR)**
1-866-337-7862

Representatives are available from 3:00 a.m. to 9:00 p.m. Eastern Time, Monday through Friday. Your password and/or PIN are not required to contact a CSR; however, you may be asked questions to verify your identity before the CSR will provide account information or process a transaction.

When you “exercise” your stock options, you convert your options into shares of Macy’s common stock. You can only exercise your vested stock options. You may choose to exercise as many vested options as you wish from each grant. Before submitting an exercise, there are a few decisions you will need to make. In particular, how you would like to pay your out-of-pocket expenses (cost of the exercise, fees, tax withholdings) and how you would like to receive your proceeds (either in shares of Macy’s stock or in cash).

There are two methods, **Cash or Cashless**, to exercise your stock options. Your preferences will determine which exercise method to request:

1. **Cash exercise:** With this method, you provide the funds to exercise your stock options. Computershare will calculate your out-of-pocket costs through the website, the IVR system or a CSR. Computershare must receive a personal check, bank check, cashier’s check or wire transfer in U.S. currency within ten (10) business days of your exercise request to cover the option cost, fees and required tax withholdings. If Computershare does not receive the funds within ten (10) business days, the transaction will be canceled. Please see below for payment instructions.

Once the funds are received, Computershare will automatically credit your shares of Macy’s common stock as a book-entry stock record under your name in the Transfer Agency System. An updated account statement will then be sent to your home address. On Computershare’s website, this exercise method is referred to as **Cash**.

- **Funds should be mailed to:**
Computershare
Attn: SOP
P.O. Box 43027
Providence, RI 02940
- **Wire transfer instructions:**
Computershare
Bank Name: Harris Bank
ABA#: 071000288
Account Number: 2262681
Account Name: Computershare
Reference: Participant Name and Macy’s
- **Funds sent by overnight delivery:**
Computershare
Attn: SOP
250 Royall St.
Canton, MA 02021

REMEMBER: *If the funds are not received within ten (10) business days, the transaction will be canceled and the exercise cannot be reinstated or reactivated. To exercise those stock options, you would have to start the process over again.*

EXERCISING YOUR STOCK OPTIONS (continued)

LIMIT ORDERS

2. **Cashless exercise:** For this method, you do not use your own money to exercise your stock options. With a cashless exercise, Computershare helps you exercise your options and lets you receive the proceeds in one of two ways:
 - a. **Proceeds in stock:** You exercise your stock options and Computershare sells enough of your Macy's common stock to cover all costs, including the option cost, fees and required tax withholdings. The remaining shares are issued to you as a book-entry record under your name in the Transfer Agency system at Computershare. On Computershare's website, this exercise method is referred to as **Cashless Hold** or, for limit orders, **Limit Order Cashless Hold**.
 - b. **Proceeds in cash:** You exercise your stock options and sell all your Macy's common stock shares immediately under this transaction. Computershare arranges the sale of the shares, subtracts the option cost, fees and required tax withholdings from the proceeds and sends you the remaining cash. On Computershare's website, this exercise method is referred to as **Cashless for Cash** or, for limit orders, **Limit Order Cashless for Cash**.

Limit orders allow you to set the price at which your shares are sold. In a limit order, two conditions must be met before your stock options are exercised. First, the market price of the stock must reach the price you specified. Second, a buyer must be available and willing to buy the total number of shares in your limit order. However, you have the option of splitting your orders. Limit orders can be placed through a CSR from 3:00 a.m. to 9:00 p.m. Eastern Time, Monday through Friday, or through the Computershare website.

The service fee for limit orders is \$5.00 in addition to the other fees related to the transaction. This fee is charged when your stock options are exercised. If you cancel the limit order before it is executed, or it cancels because of a trading window restriction or because the limit order has expired, there is no charge.

There are two types of limit orders:

1. **Good for Day:** Good for Day limit orders remain active until the stock reaches the price you specify on the day you place the limit order and a buyer is available and willing to buy the total number of shares in your order. At that time, your exercise will occur and the shares will be sold. A Good for Day order will **automatically cancel** at the end of the trading day if your shares do not sell. You will need to place a new limit order if you still wish to exercise your stock options.
2. **Good to Cancel:** Good to Cancel limit orders remain active until the earliest of the following:
 - The stock price reaches your limit order price and the stock options are exercised.
 - You cancel the limit order.
 - The Company imposes a trading ban on you because you have access to privileged or insider information.
 - 30 days from the date of entry.

WHEN YOU EXERCISE

When you exercise your options, you should have the following information ready:

1. For an exercise through the website:
 - User ID
 - Password
 - Grant information (Grant Date, Grant Price, Number of Shares to Exercise)
2. For an exercise through the IVR system:
 - Global Identifier (9-digit Social Security Number)
 - PIN number
 - Grant information
3. For an exercise through a CSR:
 - Grant information
 - You may be asked questions to verify your identity before the CSR will process a transaction.

WHEN TO PLACE AN EXERCISE ORDER

Exercise orders can be placed through Computershare's website or the IVR system, which are available twenty-four (24) hours a day, seven (7) days a week. You may also place an order through a CSR during regular business hours. Please see page 2 for CSR information. Orders placed to exercise options and sell stock before the stock market opens will go to the market for sale at the available price after it opens. Orders placed to exercise options and sell stock before 3:45 p.m. Eastern Time, on a day during which the market is open, will be sent to the market that day. Orders placed to exercise options and sell stock after 3:45 p.m. Eastern Time will be sent to the market when the market opens on the next trading day. Please remember that orders to exercise options and sell stock are dependent upon a buyer being available and generally should be placed before 3:30 p.m. Eastern Time.

IMPORTANT: Stock options expiring on the day of exercise:

Orders placed after 3:45 p.m. Eastern Time for options set to expire the date you are placing the order will *not* be sent to market the next day, they will expire and the order will be canceled.

How you receive the proceeds depends on whether you elect to receive in cash or stock:

1. **Proceeds in Cash:** You may elect to receive cash proceeds by direct deposit/wire transfer or by check.
 - a. **Direct Deposit (ACH) or Wire Transfer:** The cash proceeds will be electronically credited to the checking or savings account you designated on your direct deposit or wire transfer instructions. Computershare will release the proceeds three (3) business days after the date of the transaction. ACH and Wire Transfer instructions should be set up prior to your exercise. This can be done on the website under "Manage My Account - Add/Modify Interbank Transfer Instructions or Add/Modify Wire Instructions".
 - b. **Check:** Computershare will mail a check to your home address three (3) business days after the date of the transaction. Allow an additional ten (10) business days for the check to reach you by mail. **Receiving your proceeds by direct deposit is recommended to ensure timely receipt of funds.**
2. **Proceeds in Shares:** If you elect to receive the proceeds in shares of Macy's common stock, the shares will be issued to you as a book-entry record under your name in the Transfer Agency system at Computershare. It is important to note that Computershare cannot sell the shares for you once they are recorded on the Transfer Agency books.

FEES

Macy's pays the stock option account record-keeping fees for all participants. You are responsible for paying the following Computershare transaction and brokerage fees:

A transaction fee is incurred with every exercise:

Cash Exercise:	\$15.00	+ \$0.015 /share
Cashless Exercise:	\$15.00	

The following fees are incurred if you request Computershare to sell shares (Cashless Exercise):

1. Trading Fees (*per share exercised*)

1 - 500:	\$0.06
501 - 1,000:	\$0.05
1,001 or more:	\$0.04

2. SEC Fee

- Effective 04/01/2012 the fee is \$0.0224 per \$1,000 value of shares sold. Please refer to www.sec.gov for updates or contact Computershare.

Additional fees are charged only if you elect one of the following special services:

- Limit Orders: \$5.00 (Additional per exercise, minimum 100 shares)
- Wire Transfers: \$25.00 (There is no additional fee for Direct Deposit - ACH)
- CSR Assisted Exercise: \$25.00 (This fee is charged only if the CSR processes an exercise on your behalf. If you call a CSR for assistance and they "walk you through the process," but you submit the exercise online, there is no charge for the CSR's assistance.)

AFTER A TRANSACTION

Computershare will send you a transaction statement each time you exercise stock options. You may request cumulative statements at any time by accessing Computershare's website or the IVR system.

TRADING RESTRICTIONS

Certain Macy's employees are not allowed to trade Macy's (M) stock during "restricted" periods due to having access to privileged or insider information. These individuals will be able to review account information on Computershare's website or the IVR system at any time; however, they will not be able to exercise options when the trading window is closed. If you are one of these individuals, you will be notified separately.

TAX INFORMATION

Exercising non-qualified stock options generally causes an individual to realize ordinary compensation income for U.S. income tax purposes on the difference between the fair market value of the stock on the exercise date and the exercise price. The tax basis of the acquired stock will generally be the fair market value on the exercise date, and the 12-month capital gains holding period for the acquired stock commences on the exercise date.

When you exercise non-qualified stock options, Macy's is required to withhold Federal Income tax, Social Security tax, Medicare tax, and any applicable state and/or local tax on your gain. Computershare will calculate the required withholding taxes owed on your gain and deduct them from the stock or cash you receive. **Even though income taxes are withheld at the time of exercise, you may owe additional income taxes when you actually report the gain on your individual income tax returns.**

This fact sheet provides general information, not financial and investment advice, about your stock options. **You are encouraged to consult your own financial and tax advisor when making individual financial decisions regarding your non-qualified stock options.**

USING THE INTERACTIVE VOICE RESPONSE (IVR) SYSTEM

The IVR system allows you to access information regarding your stock options and place an exercise order over the phone. IVR allows you to do the following:

- Review grant history. *(Please note that the IVR system will only allow you to hear 15 grants, beginning with the earliest grant. Contact a Computershare CSR to review any subsequent grants after you reach the limit.)*
- Request statements.
- Review previous exercises.
- Exercise stock options.
- Request duplicate tax forms.
- Request a PIN reset.

ADDRESS CHANGES

Computershare will not accept address changes directly from you. They can only be made through the Macy's associate services portal "in-site" or your Human Resources representative. Please allow seven (7) business days from the date you change your address for your new address to be updated on the Computershare system.

COMMUNICATIONS FROM COMPUTERSHARE

You may elect to receive communication from Computershare via email versus US Mail by designating a preferred email address to be used; for example, to expedite receiving password resets or account statements. This designation can only be done on the Computershare website.

QUESTIONS?

If you have any questions, contact a Computershare CSR at 1-866-337-7862.

BENEFICIARY DESIGNATION

You may designate a beneficiary for your stock options in the event of your death before all of your outstanding stock options are exercised. If you filled out a beneficiary designation form for your stock options under the Company's 1995 Executive Equity Incentive Plan or the 1994 Stock Incentive Plan, that form will apply to stock options granted under the 2009 Omnibus Incentive Compensation Plan. If you have not completed a form or wish to designate a different beneficiary for your stock options under the 2009 Omnibus Incentive Compensation Plan, you may acquire a new beneficiary designation form from the Stock link in the Payroll menu on "in-site" or Computershare's website.

FORFEITURE OF AN OPTION AWARD

Please note that the provisions regarding the forfeiture of a stock option award have changed over the years. Regardless of the reason you leave the Company, it is your responsibility to refer to the stock option documents to understand the provisions related to each stock option grant and the termination of your employment. Provisions regarding each stock option grant, including the time period(s) in which you must exercise your options in order to avoid forfeiture, may differ. If you have any questions about your stock options, please contact your Human Resources representative as soon as you know you will be retiring or terminating your employment for any reason. Do not assume the provisions of one grant apply to every grant. If you allow a stock option grant to be forfeited without exercising vested options, your options cannot be reinstated and you will lose whatever value you would have received from exercising those options prior to forfeiture.

IMPORTANT NEW PROVISION

All equity awards granted in fiscal 2013 or later are subject to non-compete, non-solicitation and confidentiality covenants for retirement eligible participants. If a participant violates any of the covenants, all outstanding equity from these grants will be forfeited immediately. For more information, please refer to the 2013 Terms and Conditions posted on “in-site” and the Computershare website.

PLAN ADMINISTRATION

- * The 2013 stock option awards are granted pursuant to the 2009 Omnibus Incentive Compensation Plan. The Compensation and Management Development Committee of the Board of Directors is responsible for administering the Plan. Copies of the Plan documents are on file at the Corporate Office and are also available on the Stock link in the Payroll menu on “in-site.”
- * This information is summarized for your convenience and is not intended to provide all details of the Plan. If there is a conflict between the Plan document, the official documents and this summary, the language of the Plan document and official documents governs.
- * Payments received under this program are not benefit bearing (i.e., does not affect pension benefits or other programs dependent upon earned compensation).
- * Computershare’s fees and processes are subject to change. Please review the website or contact a CSR for current information.

Macy’s, Inc. retains the unilateral right to terminate or modify this program or the participation of any participant at any time.