Code of Conduct
“Integrity Always” is one of our core values – a value that requires us to do the right thing – always.

It means that we have to be fair and honest in all our dealings with our co-workers, customers, business partners, shareholders, competitors, and the communities in which we live and work.

Failure to act with integrity will cost us dearly, in terms of loss of image and reputation, and ultimately, performance.

Our Associates are the face of our Company and the ambassadors of our brand, and we have 140,000 of the industry’s best people guiding our Company. The reputation we enjoy today is the legacy of generations of Associates who have worked to build our Company and make our red star an emblem of integrity. However, as we all know, a good reputation is a fragile thing. While it takes years to build, it can be destroyed overnight by just one unethical, thoughtless or misguided action.

Our brand purpose calls us to Make Life Shine Brighter at Macy’s and is central to pursuing our North Star Strategy, which includes anticipating our customers’ needs, offering products and experiences that customers love and can only find at Macy’s, and enhancing the customer experience with mobile apps and digital capabilities that complement our stores.

Since our Company’s image and reputation are a reflection of what each one of us says or does, we must maintain the highest standards of ethical business conduct – even when not legally mandated – so that our actions reflect well, both on our Company and us. We have a shared responsibility to make legal compliance and ethical business practices a part of the fabric of Macy’s so that we always act in a manner that upholds our values, creates trust, and strengthens our image. The purpose of this Code is to understand our responsibilities and help guide us to live our Company’s values.

Thank you for your personal engagement in ensuring that our Company consistently succeeds the right way.
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About This Code

Who is governed by this Code?
This Code applies to all Macy’s and Bloomingdale’s associates, whether working in stores, central offices, support organizations or elsewhere. When this Code refers to the ‘Company,’ it means the group of entities where all such associates work. ALL associates at ALL levels, referred to here as “we” or “us,” are governed by this Code.

What are our responsibilities as associates?
Each of us should:
• follow all Company policies, including those discussed in this Code and in other materials distributed by the Company, such as associate handbooks and accounting policies,
• know that it is a fundamental principle of Company policy that each of us seek to understand and comply with all laws that relate to our jobs,
• use our voice to speak up and raise concerns, ask questions when in doubt or report suspected violations of Company policies, and
• make the necessary disclosures of any personal conflict of interest as described later in this Code.

Do supervisors have additional responsibilities?
Associates who are supervisors are responsible for creating a culture in which all associates understand the Company’s commitment to conducting business legally and ethically, and following the Company’s policies, including those in this Code. Above all, those of us who are in leadership positions must lead by example and create an open environment in which associates feel comfortable raising concerns without fear of retaliation.

Does this Code explain all of the standards and policies we need to know?
This Code is a starting point and provides general guidance. In addition, throughout this Code there are references to other Company policies. We have been provided access to such policies in this Code, as well as guidance on who must READ, UNDERSTAND AND FOLLOW.

Nothing in the Code or the policies it incorporates, is intended, or will be applied, to prohibit employees from exercising their rights protected under federal labor law, including concerted discussion of wages, hours or other terms and conditions of employment. This Code is intended to comply with all federal, state and local laws, including but not limited to the Federal Trade Commission Endorsement Guidelines and the National Labor Relations Act, and will not be applied or enforced in a manner that violates such laws.

Although compliance with all applicable laws is a fundamental requirement of our Company’s policy, in certain instances, Company policy goes above and beyond the requirements of applicable law. This Code cannot and does not address every standard and policy we must follow, nor does it guide us through every situation or dilemma that we may face while performing our jobs. There are, however, additional resources that give specific guidance, which we may obtain from our supervisor, an HR representative or the Law Department.

As a rule of thumb, when acting on behalf of our Company, associates must ask themselves the following:

Is it legal?
Even if it is legal, does it comply with Company policies?
Even if it is legal and consistent with Company policies, is it the RIGHT THING TO DO?
Would it reflect well on our Company if it appears in tomorrow’s newspaper?

If the answer to any of the above questions is “No,” or if our good judgment or this Code and the other Company policies do not provide an answer, we must promptly seek help through one of the many channels discussed below.
Is it really necessary to speak up?
Yes, it is absolutely critical to do so. By using your voice and speaking up, you help protect our Company, our co-workers, our Company’s customers and other stakeholders. The Company is counting on each one of us to preserve and protect its image and reputation. A vital way you can do this is by expressing your concern if and when you suspect in good faith that a Company policy has been violated.

- **Speak up and raise concerns early.** If you wait, it may get worse.
- **You can report anonymously.** However, if you identify yourself, the Company may be able to follow up with you and provide feedback. If you choose to report anonymously, please give enough details so the Company can investigate fully and accurately.
- **Confidentiality is respected to the maximum possible extent.** If you provide your name, your identity and report will be shared only as needed to look into and address the concern, or if required by law.
- **Retaliation is not tolerated.** Our Company absolutely prohibits retaliation against anyone who uses his or her voice to speak up for integrity to report a potential violation that he or she reasonably believes has occurred or is likely to occur. Retaliation is grounds for discipline up to and including dismissal. If you believe you have been subjected to retaliation, report it promptly to your HR representative, the Office of Solutions InSTORE or through ComplianceConnections. (ComplianceConnections are telephone and online facilities we may use for this purpose. Details regarding ComplianceConnections are provided below.)

If I report a possible violation, will I get in trouble if my concern turns out to be wrong?
No. You will not be punished or disciplined if you report a violation you believe has occurred or will occur. In fact, as Company employees, we all have a duty to report suspected violations of Company policy. We must, of course, have a reason for suspecting that a violation has occurred or will occur.

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Q: I ran into a senior member of my department, Sandy, in the store the other day. She introduced me to her sister who told me that she was very excited because Sandy was using her discount to buy a lot of china for her and that because of Sandy’s discount she was getting a lot more pieces than she would otherwise. I thought that Company policy prohibits associates from using their discount for others?

A: Yes, it is a violation of Company policy for associates to use their discount to make a purchase for another person and get reimbursed for the cost of the purchase. Although it is okay to use our discount to buy gifts for family and friends, it is not okay to do so if we receive payment for the cost of such gifts. If you believe a policy has been violated, you should discuss your concern with your supervisor or report what you have observed, since you’ve seen enough to suggest that there may be a problem.

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Q: OK, I reported the situation above. It turned out that Sandy’s sister is getting married and that Sandy was purchasing china from her sister’s registry as a wedding gift. Am I going to get in trouble because it turned out to be nothing?

A: No. You did the right thing by raising a genuine concern. If anything happens that you feel could be retaliation, report that immediately.

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Is it okay to not speak up and raise concerns when I am uncomfortable doing so?
No, it is not okay. Integrity Always means doing the right thing, even when it makes us uncomfortable. By doing or saying nothing about actions we honestly believe are in violation of any Company policy, we are violating this Code and are subject to disciplinary action.
How should I use my voice to speak up?

Our Company tries hard to foster an environment of open and honest communications. Our Company’s “open door” policy gives associates many options.

• Your supervisor – usually a good place to start.
• Your supervisor’s supervisor.
• Your store manager or the head of your Department or location.
• Your HR Department.
• The Office of Solutions InSTORE.
• The Law Department.
• ComplianceConnections.
• Office of Compliance and Ethics (macysofficeofcompliance@macys.com)

Most issues can be resolved by direct conversations between the people involved. However, if an associate is unsure of where to go for answers, uncomfortable raising issues with individuals within the Company, or wishes to report a potential violation of Company policy anonymously, he or she may raise the concern by using ComplianceConnections.

What happens when I raise a concern via ComplianceConnections?

ComplianceConnections is a toll-free telephone line that is answered by an operator, 24 hours a day / 7 days a week. To reach ComplianceConnections, call 1-800-763-7290. ComplianceConnections can also be reached on-line at www.macyscomplianceconnections.com.

If an associate contacts ComplianceConnections by telephone to report suspected misconduct, a live operator from our third party service provider will guide the associate through the process and create a report with the details provided. The operator will promptly forward the report to the right sources within the Company for follow-up.

If an associate accesses ComplianceConnections online, via www.macyscomplianceconnections.com, to ask questions or report suspected misconduct the Company’s third party service provider will promptly forward the report to the right Company sources for follow up.

In each case, the reporting associate will be told how feedback will be provided on the associate’s questions or concerns. In some situations, however, because of the nature of the inquiry, the Company or ComplianceConnections may not be able to provide feedback on the investigation.

The Company will investigate concerns about compliance with Company policies as follows:

• The issue will be assigned for investigation to associates who are skilled and objective.
• The investigators will gather information and determine facts. The investigation will be prompt and thorough, and confidentiality will be maintained to the maximum extent possible.
• The investigators may recommend corrective action, if necessary, to appropriate managers for implementation.
• Where appropriate, the associate raising the concern will receive feedback on the outcome.

Can I request a waiver of any requirement of the Code?

Yes, we may request a waiver as described below.

• With respect to associates other than the Company’s executive officers, any request for a waiver of the Code’s requirements must be submitted to, and to be effective must be approved by, the Company’s Chief Legal Officer.
• With respect to the Company’s executive officers, any request for a waiver of the Code’s requirements must be submitted to, and to be effective must be approved by, a majority of the disinterested members of the Company’s Board of Directors. All such approved waivers of the requirements of this Code will be promptly disclosed to the Company’s stockholders.
Being Respectful ... Our Workplace

One of the most valuable assets our Company has is its workforce. Our Company’s values “You Count” and “Teams Win” – are the drivers of our Company’s goal to provide a work environment that is inclusive, respectful, safe and healthy - one that fosters wellbeing, energy and creativity. Each one of us is responsible for ensuring that our actions and words help to build and maintain such an environment.

Diversity and Equal Opportunity

What To Know

Our Company embraces diversity and wants its workforce to be as diverse, inclusive and multifaceted as our customer base. Our Company’s goal is to offer all individuals equal opportunities within our Company.

What To Do

We must not discriminate against any person on the basis of race, color, ancestry, ethnicity, age, religion, sex (including pregnancy and pregnancy-related conditions), sexual orientation, gender, gender identity, gender expression, national origin, physical or mental disability, genetic information, military and veteran status, marital status, medical condition or any other attribute that doesn’t relate to the person’s job.

Our Company’s commitment to diversity and equal opportunity applies to all aspects of our employment - this includes recruitment, hiring, placement, promotion, transfer, compensation, training, recreational and social programs and the use of Company facilities.

We must, however, bear in mind that it is not harassment or discrimination for a supervisor to enforce job performance and standards of conduct equally without regard to any protected characteristics.

If we believe that discrimination has occurred, whether against us or someone else, we must raise our concerns.

All associates must use this link to access, read and understand our Company’s EEO & Anti-Harassment Policy.

Q: I consider myself a minority associate. My supervisor has passed me over several times for a promotion. He gave the position each time to associates who I believe are lesser-qualified, non-minority employees, whom I am then asked to train. I think this is discriminatory. What can I do?

A: Ask your supervisor why he/she hasn’t selected you. If, however, you are uncomfortable discussing this with your supervisor, or do not get a satisfactory answer, discuss it with your HR representative, Solutions InSTORE, or raise your concern through ComplianceConnections.

Treatment of Co-workers

What To Know

We must treat co-workers as we would like them to treat us – with respect and dignity. There is zero tolerance for harassment of any kind – whether verbal, written, physical or sexual – or any form of workplace violence.

What To Do

We need to be sensitive and alert to the fact that harassment may take many forms. Sometimes conduct that is not intended to harass may be perceived as harassment by another person. We must avoid all such conduct. Examples include:

- Making offensive or unwelcome remarks, jokes or gestures,
- Making unwelcome sexual advances, requesting sexual favors, making unwanted physical contact or comments, or distributing or displaying sexually explicit, racist or derogatory materials,
• Abusing physically or verbally, threatening, taunting or leering, or
• Treating certain associates or customers differently because of race, religion, sex or other characteristic protected by law.

Q: I am a female employee. A male co-worker frequently makes personal comments about my appearance that make me uncomfortable. I’ve asked him to stop, but he won’t. What can I do about it?
A: You should report this to your supervisor, your HR manager, Solutions InSTORE, or through ComplianceConnections.

Health and Safety

What To Know
Our Company strives to create workplaces that are safe, healthy and secure.

What To Do
It is not possible to eliminate every hazard in the workplace, just as it is not possible to prevent all accidents in the safest of homes. That said, we must do our best to avoid them by not creating hazardous conditions, monitoring our workplaces continually, and correcting or eliminating unsafe conditions, if they exist.

Similarly, we must guard against violence in the workplace. We must not tolerate acts or threats of physical violence, including the unauthorized possession of a weapon in a Company workplace. Each of us is responsible for reporting any violence or unsafe conditions that we may observe to the appropriate member of the management team or the senior manager on duty at your facility or location. And we must always take appropriate and prudent steps to protect our own health and safety.

We also need to maintain a healthy and secure work environment. This means that associates must not possess, consume, sell, purchase or distribute drugs or have open containers of alcohol in our workplaces, or engage in Company business (whether or not in a Company workplace), report to work or operate any Company equipment or vehicle while under the influence of drugs or alcohol. Alcohol may be served at Company-sponsored events, which is the only exception. Associates may take drugs that are prescribed by a licensed physician or are available over the counter. However, if a physician has prescribed medication that requires any accommodation or influences an associate’s ability to perform his or her job duties, the manager or HR representative should be notified to discuss reasonable accommodations that are necessary.

Q: I have been asked to skip a routine inspection of a store’s escalators, and instead help store management get the store ready for a major sales event. We rarely find a problem when we do this inspection, but it still does not seem right to skip it. I suggested rescheduling the inspection a few days later after the sale, but they want to skip it entirely.
A: Store management is not authorized to cut corners on safety matters. Immediately contact your supervisor, HR department or report this through ComplianceConnections.
Lawful Employment Practices

What To Know
Our Company is committed to complying with all laws regulating employment practices, including pay rates, overtime, meal periods, rest breaks, occupational health and safety, and leaves of absence.

What To Do
We must strive to properly categorize all associates as overtime exempt or non-exempt, and as employee or independent contractor, under employment and tax laws.

Those of us who record time worked, or manage associates who record time, or otherwise have access to time records must make sure that time records accurately reflect all time periods worked. We must not work or permit others to work off the clock. For example, we must not

• fail to record work performed at home,
• delete or conceal hours worked, including overtime hours, or move hours from one day to another to eliminate overtime,
• revise a correctly entered time record, or
• fail to take the required meal period and rest breaks, or permit or require others to do so.

Q: I’m an hourly associate, I’ve been busy lately, but my supervisor does not want me to work more than 40 hours each week. To get my work done, I’ve been working for a half hour after I clock out each evening. Since this benefits the Company, have I done something wrong?
A: Yes. It is never OK for you to work off the clock. You must record accurately all time periods worked. Not doing so is a violation of Company policy. If you feel that you are not able to complete your work in 40 hours, please discuss your concerns with your supervisor or with your HR manager. As always, you can also bring your concerns to the Company through Solutions InSTORE or ComplianceConnections.

We must also ensure that our Company is in compliance with all laws governing employees with disability and employee leaves of absence, including the Family Medical Leave Act.

All associates must use this link to access, read and understand the form titled “Employee Rights and Responsibilities under the Family and Medical Leave Act.”
Being Loyal ... Conflicts of Interest

A conflict of interest exists when a personal interest or activity interferes – or appears to interfere – with the duties we perform for or owe to our Company. We owe it to our fellow associates, shareholders and other stakeholders to ensure that no activity of ours at work or home harms our Company’s reputation or interests.

All business decisions should be made solely in the Company’s best interest, and not for any personal gain. Similarly, when conducting our personal affairs and ourselves, we must avoid actions or situations that create, may create or reasonably appear to create, conflicts with the Company’s interests.

Here are some common ways conflicts of interests could arise.

Certain Relationships

What To Know

A conflict of interest may arise if an associate or his or her family member (such as spouse, children, parents or siblings) has a relationship with a business partner or competitor of the Company.

- By “business partner” we mean anyone who does or seeks to do business with the Company. Examples are a supplier or purchaser of goods, services, equipment or real estate.
- By “competitors” we mean anyone in our geographic markets who sells merchandise that is the same as or similar to the merchandise we sell.

Examples of “relationships” that could present a conflict are below.

If one of us, someone in our family or someone with whom we have a significant relationship (including marriage, domestic partners, dating relationships, or family (such as sibling, parents, child))

(i) has a substantial amount of stock or other interest in a business partner or competitor,
(ii) accepts an offer by a business partner or competitor to buy stock on terms not generally available to the public, or
(iii) is an officer, director, employee, or consultant of a business partner or competitor.

What To Do

Not all relationships present a conflict of interest.

- The questions we must ask ourselves are:
  Could the relationship cause or influence me to make a decision that is not in the best interest of the Company? Or, could it look to others as if the relationship is influencing me?

- Some investments are always wrong. We must never personally invest in a business partner if we have any involvement in selecting or negotiating with the business partner or if we supervise anyone who has such responsibility.

- We should carefully weigh a potential new relationship that could present a conflict of interest before entering into it. Seek guidance and permission from our HR representative, who may consult with the Office of Compliance and Ethics.

- We should disclose to the Company any conflict of interest (either when providing the annual conflict of interest sign off or promptly to our HR representative after becoming aware of a conflict of interest).
Q: We need to hire a cleaning service for some stores. We could save our Company a lot of time and effort by hiring my brother's cleaning firm. They would also be the right choice because I would have control over them and they can be trusted to do the job right. And, they'll give us a special price. May I hire his Company?

A: No. Hiring a firm run by a family member is not a sound business practice and it violates our policies. It creates a conflict of interest between your desire to help your brother and your duty to select the most competitive supplier for our Company. Even if you have nothing but our Company's interests at heart, it may appear to others that you are being influenced by your relationship with your brother. However, if you make a full disclosure to your supervisor, HR representative and the Office of Compliance and Ethics, and you remove yourself from the selection process (and no one who reports to you is involved), in certain situations the Company may permit your brother's firm to compete for the work with other bidders.

Q: A vendor of the Company that I do not directly work with is offering its stock for sale to the public. A friend of mine there tells me that the vendor has reserved shares to offer to its customers and business partners. He has offered me an opportunity to participate on this “favored” basis. May I buy some of the offered shares?

A: No. Accepting an offer to purchase a business partner's stock on terms that are not available to the general public violates our policy and must be avoided even if you are not directly involved in our Company's transactions with that vendor.

**Gifts and Entertainment**

**What To Know**

The Company does business on the basis of sound business judgment and seeks to treat all of its business partners fairly. Accepting a gift from or giving a gift to any business partner or competitor could create the expectation or appearance that they will be treated more favorably than others. We could also appear to be unfair and dishonest in our dealings.

Gifts or gratuities could take many forms - cash, merchandise, loans or non-cash gifts, such as gift certificates, discounts, gratuities, services, transportation, use of vehicles or vacation facilities, participation in stock offerings, tickets to sporting events or invitations to meals or events. The potential list is endless.

**What To Do**

Certain gifts and entertainment are permissible, while others are not. When receiving or offering gifts or entertainment, we must follow the Company's guidelines strictly and seek help when we are unsure.

**Usually OK**

**Nominal Gifts**

Gifts of “nominal” value (a combined retail value of $100 or less) that are common courtesies in our business are usually okay to give or receive. When giving or receiving gifts of nominal value, remember these guidelines:

- The value of all gifts from a single source (including token gifts like pens, mugs and calendars) must not exceed $100 in a calendar year;
- Gift baskets are to be shared with co-workers
- An associate must have the corporate authority to incur the expense of giving gifts; and
- Gifts that fall in the “Always Wrong” category below may not be given or received.

If the above guidelines are followed, gifts of nominal value do not require disclosure or approval. If there is any question about a gift, contact the Office of Compliance and Ethics (officeofcompliance@macys.com) for guidance.
Participation in Social Events with Business Partner
Participating in a social event with a business partner is the one exception to the $100 limit on gifts. We may participate in events in which we are interacting with business partners or vendors. Follow these simple guidelines:

• We may accept an invitation from a business partner to a sporting, cultural, overnight outing or other event (“Social Event”) in which the business partner also is participating, provided that the face value of the cost for our participation (where it can be reasonably determined or estimated) does not exceed $250. If the business partner is not personally participating in the Social Event, then the invitation is a gift and subject to the $100 nominal gift limitation.

• We may not accept invitations to multiple Social Events from a single business partner if the aggregate face value of all invitations is more than $250 in a calendar year, unless we obtain advance written clearance (electronically or otherwise) from the Office of Compliance and Ethics. Clearance will be based on, among other factors, the business development value of the Social Event(s).

• Unless clearance is obtained as provided above, an associate must (i) pay the business partner for the excess over $250 of the aggregate face value of the cost of the Social Events in which the associate has participated at the invitation of a single vendor in any single calendar year; and (ii) disclose all such payments in the annual Code of Conduct acknowledgement.

• If there is uncertainty with regard to the dollar “value” or any other aspect of a Social Event, the associate should contact the Office of Compliance and Ethics (officeofcompliance@macy.com) for guidance.

Meals
Meals with current or prospective business partners are separate and distinct from gifts and social events. We may participate as the guest or host in occasional meals with our business partners if:

• It is a common business courtesy in our industry,

• It is not too frequent, extravagant or excessive in value, and

• There is mutuality in the “give and take” such that we and our business partners have a chance to both treat and be treated.

If we include business partners in meals that we host, the expense should be classified as “Entertainment” in our reimbursement requests.

Vendor Paid Trips
We may accept invitations to vendor sponsored events or meetings only in compliance with our Company’s Vendor Paid Trip Policy.

Associates who have been or are likely to be invited to participate in events or trips that are paid for, to any extent, by current or potential vendors or business partners, including all associates in buying organizations, must use this link to access, read and understand our Company’s Vendor-Paid Trip Policy.

Contributions to Charitable Causes
We may solicit contributions from our business partners to charitable causes ONLY in compliance with our Company’s policy on vendor solicitation. This policy may be found in the Policy Center on the MyMacy’s Portal.
**Bribes and Anti-Corruption**

At the extreme end of conflicts of interest are bribery and corruption, which involve offering value with the intent of illegally or unethically influencing behavior. Bribes typically involve government officials. All associates and all third parties acting on the Company’s behalf are strictly prohibited from offering, giving, or receiving a bribe under any circumstances. This applies to every associate - at every location and at every level. A bribe isn’t just a cash payment – bribes can include gifts, discounts, charitable contributions, travel, excessive meals or lavish entertainment. And bribery is also against the law, most notably under the Foreign Corrupt Practices Act, which involves foreign government officials.

It is imperative that we abide by the Company’s Anti-Corruption Policy and make sure we are following the guidelines of the Gift and Entertainment and Vendor Paid Travel Policies as well. The Company’s Anti-Corruption Policy is located on the MyMacy’s Portal under Legal / Compliance and Ethics / Compliance and Ethics Reference Materials. If you have any questions or concerns, please contact the Office of Compliance & Ethics (officeofcompliance@macys.com).

**Always Wrong**

Some types of gifts and entertainment are **NEVER** permissible and no one can approve them. We may **NEVER**:

- Accept or give any gift or entertainment that is or could be illegal.
- Accept or give a gift of cash or cash equivalent (such as a check, money order or a gift certificate that is convertible to cash), loans, stock or stock options.
- Participate in any entertainment that is inappropriate, sexually oriented or otherwise violates our policy of mutual respect.
- Participate in any activity or accept or give any gift that you know would cause the person giving or accepting the gift or entertainment to violate his or her own employer’s policies.

**Always Ask**

It may not always be clear to us whether certain gifts and entertainment are permissible. In such situations we must not proceed without obtaining the written approval of our HR representative, who will consult with the Office of Compliance and Ethics.

When approval is requested, the Office of Compliance and Ethics will consider the following:

- whether the gift or entertainment would be likely to influence your objectivity,
- whether there is a valid business reason to attend the event,
- whether we would be setting a precedent by accepting or giving the gift or attending the event, and
- whether it could reasonably create a negative impression in the minds of our co-workers or outsiders.

**Gifts and Entertainment Examples to Consider**

Q: The sales representative for a business partner has offered me tickets to a baseball game. Can I accept them?

A: Possibly. If the sales representative is inviting you to attend the game with him/her, this may constitute a business function and may be appropriate. If the face value of the ticket is unclear or is above $250, follow the guidelines provided above for attending Social Events with a business partner. If the sales representative is not attending the game, then the tickets would be considered a gift and must meet our standards for accepting gifts of “nominal” value.
Q: ABC Corp. has offered me an opportunity to attend an industry trade show in January at the expense of the ABC Corp., who is headquartered in Chicago. While our policy permits attendance at trade shows, the trade show is being held at a Disney World Resort in Orlando, Florida. We spend approximately $4.0 million annually with ABC Corp. During the trade show, there will be a number of seminars applicable to our business and networking events that are available during the event days, including an all-attendee dinner at The Magic Kingdom with a great keynote speaker scheduled to make a presentation. ABC Corp. is also giving each participant a two day hopper pass to Walt Disney World valued at approximately $240. Is it acceptable for me to attend the trade show and related events?

A: Be careful. Before you can accept any vendor paid travel (transportation, lodging, registration, meals, etc.) you must make sure that you follow the Vendor Paid Trip Policy. That means you need written approval by an Executive Vice President in your pyramid prior to any travel. If approved, you then would need to contact the Office of Compliance & Ethics for additional approval, as the travel is not to the Vendor’s main office. In this instance, since it is reasonable to hold a January trade show in Florida instead of Chicago, an exception to the policy likely would be granted and you would be able to attend the trade show at the Vendor’s expense. While at the trade show, it would be acceptable to attend the group dinner. The hopper pass, however, requires additional information and consideration. Consider three possible alternatives:

1. If the hopper pass were given to you to enjoy by yourself at your own leisure, then it would be a gift, which exceeds our $100 nominal threshold for a gift and, therefore, must be refused.

2. If the hopper pass were given to you to enjoy with a business partner from ABC Corp., then it would be considered a Social Event and would meet our Social Event limitation of $250. In this instance, the hopper pass could be accepted.

3. If the hopper pass were given to all trade show attendees for a specific group event, then it should be analyzed as part of vendor paid travel to consider whether it is business related, or falls back under our Gift or Social Event policy. This requires additional information and should be discussed with the Office of Compliance & Ethics prior to the event.

Remember – always review the Vendor Paid Trip Policy before a vendor pays for any part of a trip and to ask the Office of Compliance and Ethics (officeofcompliance@macys.com) if you have any questions or concerns.

Fraternization

What To Know
While all of us have the right to associate freely and pursue personal relationships with our colleagues, a romantic, intimate, financial or family relationship in the workplace may create an uncomfortable work environment for others. It may also create – or appear to create – a conflict of interest if we have such a relationship with a subordinate or a supervisor.

What To Do
Associates in such relationships must use tact and good judgment. If the relationship is with a direct or indirect subordinate or supervisor, or with an employee, officer, owner, or director of a current or potential business partner, we must promptly tell our supervisor or HR representative, who will consult with the Law Department to determine if some action is needed.
Other Employment

What To Know
While a conflict of interest generally exists if an associate works for or receives compensation for services from any competitor or current or potential business partner of the Company, there are certain exceptions.

Most hourly associates in our stores and central/support organizations are usually allowed to work for competitors while employed by the Company. Similarly, commission associates are allowed to work for competitors as long as the other employment does not involve commission or incentive based selling of merchandise similar to that sold at our stores or online. Associates may not work for a current or potential business partner of the Company.

Generally, Executives, Human Resource associates and Asset Protection associates may not work for competitors while employed by the Company.

What To Do
The Company may conduct an individual review of the circumstances relating to other employment before making a final determination. All questions or concerns about other employment should be discussed with the HR department or the Office of Compliance (officeofcompliance@macys.com).

In addition, associates may not serve on the board or as an officer of another for-profit company, even if it is not a competitor or business partner, without the approval of the Chief Legal Officer of the Company.

All of us are encouraged to serve as a director, trustee or officer of non-profit companies in our individual capacities, but we must obtain the approval of our HR department before doing so as a representative of the Company.

Q: I am a commission cosmetics associate and would like to make some extra money. I want to get a second job. Is this okay?

A: A second job may be fine, depending on the responsibilities of the other employment. For example, a commission cosmetics associate may work as a Cashier at a competitor, but may not work in any area of a competitor that involves selling merchandise on commission if that merchandise is similar to merchandise sold at our stores or online. Also, such associate may not work for a current or potential business partner of the Company. There may be a conflict of interest if your second job adversely affects your job performance for the Company. You should discuss any potential employment with your supervisor or your HR representative.
Being Honest ... Company Assets and Information

Our Company's assets must be used, purchased or disposed of only for the Company's benefit. We are all obligated to protect the assets of the Company and use them appropriately.

In addition to merchandise, equipment, furnishings and other property, our Company's assets include Company information, the personal information of the Company's associates and customers, any work product developed in the course of our employment, and any business or financial opportunity that the Company could avail itself of.

Company Data and Confidentiality

What To Know
Data is a critical corporate asset. We use data every day to drive value for our business; our customers; our shareholders and our employees. As a Company, we must ensure our data quality; protect our sensitive data; and collect, maintain and use data responsibly in a manner consistent with our brand values. Failure to handle and protect our data responsibly creates significant risks for the Company such as: loss of customer trust, risk of lawsuits and adverse regulator actions.

All of the Company’s data is considered “confidential.” This could include business or marketing plans, pricing strategies, financial performance before public disclosure, pending negotiations with business partners, documents that show personal data from present and former associates, customers and vendors, social security numbers or customer credit card numbers – in short, information, which if known outside the Company could harm the Company or its business partners, customers or associates or allow someone to improperly benefit from having this information before it is publicly known. This data can be used only to pursue the Company's business interests or in compliance with law or other obligations.

What To Do
All data should be collected, used, maintained, stored, and transferred in accordance with Macy's, Inc. Data Handling Protection Policy (DHPP) and the Data Security Policy, both which can be accessed via the Policy Center on the MyMacy's Portal.

The DHPP explains:

• How the Company classifies data according to the level of data sensitivity;
• The basic rules governing each class of data; and,
• The requirements on how to handle Company data, such as saving files on Company public drives.

In performing our duties, we may have access to Company Data relating to the business, our customers, partners or our co-workers.

We are all trusted to maintain the confidentiality of such Company data, whether verbal, written or electronic, and to ensure that this data is not disclosed except as specifically authorized.

Here are some simple rules to follow:

Company data should:

• Follow the “clean desk” standard ensuring confidential information is not left out and is stored in locked file cabinets or drawers when you leave your work area,
• Be clearly marked as “confidential” where appropriate,
• Be shared only with those who need to see it for Company business purposes,
• Not be sent to unattended fax machines or printers,
• Not be discussed where others may hear, and
• Be properly disposed of according to Company document handling policies. For paper, this means shredding, and for electronic files these mean proper purging techniques must be used.

Always respect the confidentiality of third parties’ information. We must not use or disclose any of it except as authorized under a written agreement approved by our Law Department.

Nothing in the Code or the policies it incorporates, is intended, or will be applied, to prohibit associates from exercising their rights protected under federal labor laws, including concerted discussion of wages, hours or other terms and conditions of employment. This Code is intended to comply with all federal, state and local laws, including but not limited to, the Federal Trade Commission Endorsement Guidelines and the National Labor Relations Act, and will not be applied or enforced in manner that violates such laws.

In addition, we must follow all policies and measures adopted by the Company for the protection of such data from unauthorized use, disclosure or access. If any of us becomes aware of any instance of data being accessed or being used in an unauthorized manner, we must report it immediately to our local technical support team and the Enterprise Information Security Team and/or the Law Department.

All associates must use this link to access, read and understand our Policy Regarding Confidentiality and Acceptable Use of Company Systems, as well as, our Company’s Associate Data Security Policy.

Q: I am a RTW buyer. My vendor representative asked me for information about our customers and further asked if the vendor could put out forms in our stores asking customers to join the vendor’s email list. Is this OK?

A: No. We generally don’t share customer information with our vendors or let them collect customer information themselves in our stores. If you get such a request, inform your District Merchandising Manager or Group Merchandising Manager, who will contact the Law Department for guidance.

Q: I am the manager of the menswear department in a high volume store in New York. One of my successful sales associates asked if he could write down the credit card numbers for certain clients in a personal notebook for quick reference, with the intent to destroy the notebook at a later point in time. These clients rely on him to ring up merchandise because they are too busy to come into the store. I am concerned that if I do not permit the associate to do this, we will lose valuable sales.

A: The Company recognizes the value of such client relations and customer service. However, the Company has strict guidelines on the protection and use of customer information. It is against policy to write customer information down on a piece of paper and subsequently throw it in the trash as this is an insecure collection and destruction method. Our Company has provided both tools and guidance to our sales associates to help them to continue providing excellent service to their customers, while at the same time protecting their customers’ personal data. You must immediately consult the policies that govern you and your associates and seek help from the Law Department to understand Data Handling Protection Policy to understand what is permissible and what is not.
Insider Trading

What To Know
As associates, we may from time to time become aware of “material inside information.” Associates must take care to avoid using “material inside information” for their own gain or to enable others to gain from it.

“Material inside information” generally means significant and confidential information about the Company’s business (which may include information relating to its business partners) that has not been disclosed to the public.

Examples of material inside information include information not yet announced to the public relating to earnings and financial performance, business deals or plans, a change in the dividend, a stock split, a merger or acquisition, disposition or consolidation, changes in directors or senior executive officers and changes in control. Information is considered to be “inside” or “nonpublic” information until it has been fully disclosed to the public, such as, for example, through public filings with the SEC or issuance of Company press releases.

What To Do
We may not buy or sell (including through the exercise of stock options) any stock or other security (such as warrants, debentures, puts or calls), whether of the Company or another entity, on the basis of material inside information. Nor may we disclose such information improperly, either intentionally or inadvertently, whether during business hours or in informal, after-hours discussions.

Trading in Company stock (or in the stock of any other company) on the basis of material inside information could result in civil and criminal charges against the person executing the trade and/or the person who provided the information to the person who traded. In addition, it would subject the Company to embarrassment and potential liability.

Q: My wife told our neighbor that I was working late on an important acquisition. A week later we announced the purchase of a major business and our Company’s stock price rose substantially. I learned later that my neighbor bought our Company stock before the public disclosure of the acquisition. I never had any conversation with this neighbor directly. Have I violated our Company policy?

A: Yes. By telling your wife, who then told your neighbor, about the nature of the assignment you were working on, you indirectly tipped your neighbor. Our Company takes a very serious view of such violation. So do the federal and state authorities. You should discuss the situation with the Law Department promptly.

Information Disclosure and External Communications

What To Know
Securities laws and stock exchange regulations specify when, how and to whom our Company should disclose material inside information.

In order to comply with these regulations, our Company has strict guidelines for the release of material inside information to the public. Additionally, only a few associates are specially authorized to discuss any Company information with the media or the investment community.

What To Do
We must follow all Company policies governing the public disclosure of material information about the Company. Further, we must not

- discuss our Company or its affairs with the media, investors, financial or industry analysts, outside consultants, on social media or in public forums, or

- use Company information in presentations to external audiences, such as college groups and industry conferences, without obtaining specific approval from our Corporate Communications Department, Investor Relations Department or Law Department.
Business or Financial Opportunities

What To Know
We as associates may discover during our employment a business opportunity that the Company may be interested in. All such opportunities belong to our Company and may not be diverted away for personal gain.

What To Do
If we know or could reasonably anticipate that the Company would have an interest in pursuing a business or financial opportunity, we should not try to take advantage of that opportunity for ourselves or divert it to any other party.

Protection and Use of Company Assets

What To Know
Company assets belong to the Company. We must protect them and use them only for Company business.

Associates must not use merchandise, intellectual property, data, supplies, samples, software, equipment, fixtures and other assets of the Company for personal benefit.

Company computers, for example, are intended for Company business use. Only limited personal use is allowed. An associate’s use of Company equipment, Internet access or email or voice mail systems is not private. The Company reserves the right to monitor our use, consistent with applicable laws.

Theft, fraud, carelessness and waste directly affect our reputation and profitability.

What To Do
We should all protect our Company’s assets by guarding against and reporting not only any suspicion we may have of theft or fraud, but also any waste or misuse we may observe.

We must not copy or inappropriately use software licensed to our Company, download unauthorized software onto our Company computers, or use our Company’s trademarks or copyrights except as authorized by Company policy.

Similarly, we should not use Company assets, including merchandise or funds for illegal, unethical or otherwise improper purposes. For example, we must not seek to advance the Company’s business with any governmental authority by means of bribes or payments to any third party.

Q: Is it okay to take home samples or defective merchandise?
A: No. It is not ok, unless it is purchased in a Company-sponsored sample sale.

Q: I sometimes email my spouse to make personal plans, such as who will take the kids to their after-school activities. Am I allowed to use the Company’s computer for this?
A: Yes, as long as personal use is reasonable and does not interfere with your work.

Q: I helped a co-worker duplicate a software application for the business he runs from his home. Did we violate Company policy?
A: Yes, you both violated Company policy by misusing a Company asset. In addition, the copying may have violated the terms of the license agreement under which the Company acquired the software. This creates potential liability for the Company under the license agreement as well as under federal copyright laws. And, you both could be personally liable under applicable laws.
Accuracy and Protection of Company Records

What To Know
Our Company’s books and records must be clear and accurate, and must fairly reflect our Company’s business transactions and assets. They form the basis on which we make the required financial disclosure and other public statements about our business, financial condition and results of operations. All such public disclosures must be full, fair, accurate, timely and understandable.

We maintain a comprehensive system of internal accounting practices and controls to help us meet our objective.

In addition, all Company records, in whatever format or media they exist, must be retained in accordance with the policies contained in the Company’s Records Management Program.

What To Do
All Company accounting policies and internal controls must be followed. Some of these internal controls govern who may sign contracts that bind our Company and who has authority to incur expenses on behalf of the Company and to what limits. We must follow these controls strictly.

Additionally, we all must cooperate fully with our internal and external auditors. We may not, directly or indirectly, take any action to coerce, mislead or fraudulently influence any accountant or auditor engaged in an audit or review of our Company’s records or procedures.

There is no tolerance for any deviation from this policy
If any of us becomes aware of any such wrongful behavior, or inaccurate recording or improper reporting of the Company’s information, we should promptly report these matters to our immediate supervisor. If we believe in good faith that any such wrongful behavior, inaccurate recording or improper reporting is sanctioned by our immediate supervisor, it should be reported to a senior level manager, to HR, to the Law Department, or through ComplianceConnections.

In addition, if we become aware that the procedures for collecting and reporting information have not been strictly followed, or are flawed, we should similarly report that fact, even if that failure has not resulted in any inaccurate public disclosure.

If any of us has questions about accounting, internal accounting controls or auditing matters, we may submit them to the Audit Committee of the Board (which you may do anonymously and confidentially) through a secure website, at http://www.macysinc.com/forinvestors/corporategovernance. The Audit Committee will consider and act upon any questions and concerns regarding accounting, internal accounting controls or auditing matters submitted to the Audit Committee.

All Company records must be retained for the periods specified in the policies contained in the Company’s Records Management Program, which can be accessed via the Policy Center on the MyMacy’s Portal.

Further, if we are told or otherwise become aware that certain records, whether in paper, electronic or other form, may be relevant to pending or anticipated legal action, we must retain them and must consult with the Law Department on their disposition.
Being Responsible ... Legal Compliance and Social Responsibilities

Our Company is committed to conducting its business in full compliance with all applicable laws. We must avoid not only any action that is clearly illegal, but also any action that may be technically legal, but is inconsistent with our core principle of “Integrity Always.”

Our Company also embraces its social responsibilities and seeks to support and enrich every community in which we work and live.

Being Responsible... Legal Compliance
It is not possible to cover all the laws that govern our business. However, certain laws apply to our jobs, and we must become familiar with them. Where it is unclear if a particular action would violate applicable laws or our policies, ASK the Law Department. The sections below discuss a few principal laws that apply to our business.

Antitrust

What To Know
Antitrust laws are intended to promote vigorous competition. They prohibit agreements that seek to limit or restrain trade.

Our Company is firmly committed to competing fairly and ethically. We believe that a free market economy is in the best interest of both our customers and our Company.

What To Do
We may not enter into or try to enter into agreements, understandings or communications with competitors, whether written or unwritten and whether directly or indirectly, on matters such as prices, markups, markdowns, or any other terms or conditions on which we do business. Such an attempt would not only violate the law, but is also a bad business practice.

We must scrupulously avoid every situation, meeting, communication or conversation, that could be construed as involving an attempt to reach such an agreement.

Agreements with vendors, regarding the prices at which we will sell that vendor’s merchandise are prohibited. This includes agreements about sale events, mark downs or clearance prices, as well as the dates on which those prices will go into effect. We also cannot try to get a vendor to agree to stop selling or not sell an item to a competitor though we can try to negotiate exclusives.

It is permissible to discuss markdown support, but we may not agree to sell an item at a certain price in exchange for a markdown allowance. We can only agree that we won’t get our markdown support if we choose to price differently.

While it is not practical to discuss here all of the “Dos and Don’ts” under Antitrust laws, the following are helpful guides.

• Do compete vigorously, but ETHICALLY,
• Do not make agreements with respect to pricing with any business partner (vendor),
• Do not discuss any competitor’s pricing, clearance or markdown practices with a business partner,
• Do not engage in activity with a vendor or competitor that seeks to limit the vendor’s product distribution practices or control market prices, although asking for an exclusive on a newly introduced item is permissible,
• Do not induce a business partner to breach an existing agreement it has with a third party,
• Do inform all current and potential business partners of our Company’s commitment to maintaining the highest ethical standards as it competes vigorously to provide the best products at the best prices for its customers.
All merchants and planners must use this link to access, read and understand our Company’s Antitrust Guidelines.

Q: I am friends with some buyers of one of our Company’s competitors. When I see them at trade shows, conferences or other events we often end up having lunch or dinner. We talk about industry trends, other retailers and other general topics. Is this a problem?

A: You should use caution in these situations. Do not discuss our Company’s pricing, relationships with business partners, markup/markdown practices or other business practices or those of the competitor. If any anticompetitive topics come up in the conversation, you should refuse to participate and leave the conversation immediately.

Intellectual Property

What To Know

Trademarks, trade names, copyrights, trade secrets, rights of publicity and other similar assets are considered intellectual property. Our Company owns many valuable intellectual property rights, such as our trademarks INC and Alfani.

Our Company may lose its rights in the intellectual property that it already owns, or risk lawsuits and other penalties, if we fail to comply with certain laws.

Our Company also has the right to use the intellectual property of certain business partners under agreements. American Rag is one such example.

We must use our Company’s or a business partner’s intellectual property only as authorized.

If we violate the terms of these agreements, our Company may not only lose the right to use the licensed intellectual property, but may also be subject to substantial damage claims.

What To Do

We must not use the intellectual property of others without their permission. Keep in mind that items on the Internet are not free for the taking – they also are protected and may only be used with permission.

We may use the intellectual property of the Company only for the benefit of the Company, and should not allow others to use our intellectual property except in accordance with prescribed procedures.

Similarly, if and when the Company is permitted to use the intellectual property of its business partners, we must follow the reasonable usage guidelines provided.

We must not provide to or accept from third parties any proprietary information or the right to use intellectual property without a written agreement that is reviewed by our Law Department.

If any of us makes a discovery, or develops an invention, design, process, concept or idea in the course of our employment with the Company, the Company owns it. We should assist the Company’s lawyers in documenting the Company’s ownership. This does not apply if an invention is unrelated to the Company’s business and did not result from your work for the Company. Even in that case, it must be developed entirely on your own time, without using the Company’s equipment, supplies or facilities.
Advertising

What To Know
Our advertising must be truthful. We want to earn and keep our customers’ trust by advertising clearly and accurately, and substantiating our product claims and comparison prices.

Our policy is to comply with all applicable laws, including those that govern pricing, product quality, product information, product availability and shipping, among others.

What To Do
Our offers should be clear, and any restrictions or limitations should be prominently disclosed so that customers get what they expect when they visit our stores or websites.

We also follow our Company’s advertising guidelines and policies, including the Retail Advertising Guidelines. All members of the Merchants, Planners and Marketing teams and others who deal with pricing must understand and comply with those Guidelines.

Use this link access, read and understand the Company’s Retail Advertising Guidelines. Please note, that our Outlet and Off Price businesses use separate guidelines.

Product Integrity and Purchasing Practices

What To Know
We put our “Customers First” by selling quality products and standing behind them and requiring our vendor to do the same, regardless of country of origin.

Our customers trust us to take all the appropriate steps to ensure that the products we sell meet high standards for safety and quality, and are manufactured in a socially responsible manner. To that end, we require vendors to adhere to our Vendor Code of Conduct.

What To Do
To safeguard our Company’s reputation and customer goodwill we must ensure that the products and services we sell are safe.

Product safety is the responsibility of each one of us.

Buyers and product developers must make every effort to ensure that the products or services our Company sells perform as we claim they do and are manufactured as we state they are.

Store associates must identify potential safety and quality issues and follow Company procedures to report them promptly. In addition, store associates must follow Company guidelines related to recalls and returns of allegedly unsafe or defective products.

In all aspects of sourcing, production, sale and investigations of claims or recalls, we should partner with our Law Department to ensure that we are in compliance with all applicable laws.

All associates in
  • stores, including store managers, general and department managers and their staff,
  • buying organizations, including buyers and planners, product developers and designers, as well as other associates who have or are likely to design or produce merchandise such as associates on special events teams or Corporate Marketing,
  • customer service, including MCCS’ Presidential and Retail Groups and Corporate Communications, and
  • risk management, including claims adjustors
must use this link to access, read and understand our Company’s Product Safety Policy and Procedure.
Government Investigations and Contacts

What To Know
Our Company’s policy is to cooperate with appropriate governmental requests or investigations, and to comply with all applicable laws governing contacts with government officials. Our Law Department is responsible for managing all such requests, investigations or contacts and providing accurate and truthful formal Company responses.

What To Do
If asked to provide information or a response – verbal or written – on behalf of the Company for a government request or investigation, promptly notify Human Resources or the Law Department. This helps ensure the Company responds timely (information often is needed quickly) and appropriately. Only certain people may formally represent the Company, and we must never obstruct, influence, mislead or impede an investigation.

Any contacts with government officials for the purpose of influencing legislation, regulations or decision-making may constitute lobbying. We must not contact or communicate with any government official for such purpose on behalf of the Company without having specific authorization. If a need arises to do so, contact the Law Department.

Political Activities
The use of Company funds for political activities is heavily regulated and the Company has established policies and procedures to comply with all applicable laws. No corporate funds may be used for political activity without compliance with those policies and procedures. Any questions regarding corporate political activities should be directed to the Group Vice President, Legislative Affairs.

Being Responsible... Social Responsibilities

Environmental and Social Responsibilities

What To Know
Our Company cares about the environment and complies with all environmental protection laws.

Our Company has implemented many sustainability programs that go several steps beyond the requirements of the law and are aimed at preserving and protecting the environment. These steps include measures to conserve energy, recycle materials, and prevent the waste of valuable resources like water and electricity.

Our Company seeks to live up to its value of “Giving Back” by caring for and enriching every community in which it participates through us. Our long-established tradition of giving back to our communities is orchestrated through various Company-sponsored community service programs, such as “Partners In Time”.

Our Company requires our Vendors to comply with our Vendor Code of Conduct which includes a prohibition against child labor, slavery and human trafficking. The Company’s Vendor Code of Conduct is located at www.macysinc.com under About Us / Policies/Positions.

What To Do
We must demonstrate our Company’s commitment to preserving and protecting our environment in all our actions for the Company, including by complying with all applicable laws.

We must learn about our Company’s sustainability programs and make a conscious effort to not waste valuable resources and dissuade others from doing so.

Additionally, our actions must uphold and demonstrate our Company’s goal of giving back to every community in which we live or do business.


EEO & Anti-Harassment Policy

Equal Employment Opportunity

Macy’s, Inc.’s Equal Employment Opportunity Policy prohibits any form of discrimination in the workplace. The Company is committed to treating all associates and applicants equally on the basis of job-related qualifications, abilities and performance, regardless of race, ancestry, color, ethnicity, age, religion, sex (including pregnancy and pregnancy-related conditions), sexual orientation, gender, gender identity, gender expression, national origin, physical or mental disability, genetic information, military and veteran status, marital status, medical condition, or any other category protected by law or unrelated to job performance.

As part of the Macy’s, Inc. EEO & Anti-Harassment Policy, all associates should enjoy a working environment free from all forms of discrimination and harassment. It is against the Company’s policy, and the law, for any associate, supervisor, manager or third party to harass or discriminate against others in the workplace based on race, ancestry, color, ethnicity, age, religion, sex (including pregnancy and pregnancy-related conditions), sexual orientation, gender, gender identity, gender expression, national origin, physical or mental disability, genetic information, military and veteran status, marital status, medical condition, or any other category protected by law. Therefore, the Company will treat harassment as it does any other form of employee misconduct and it will not be tolerated.

Sexual Harassment

No associate should be subjected to unsolicited and unwelcome sexual advances or conduct. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, or other verbal, visual, or physical conduct of a sexual nature where:

(i) Submission to such conduct is made either explicitly or implicitly a term or condition of an associate’s employment;

(ii) Submission to or rejection of such conduct by an associate is used as a basis for employment decisions affecting such an individual; or

(iii) Such conduct has the purpose or effect of negatively interfering with an associate’s work performance or creating an intimidating, hostile, or offensive working environment.

All associates are prohibited from offering, promising, or granting preferential treatment to any other associate or applicant as a result of that individual’s engaging in or agreeing to engage in sexual conduct. Likewise, all associates are prohibited from using any other associate’s or applicant’s refusal to engage in such conduct as a basis for an employment decision affecting that individual or others.

An intimidating, hostile, or offensive working environment may be created by such circumstances as pressure for sexual activities, unwanted and unnecessary physical contact with another associate, verbal abuse of a sexual nature, the inappropriate use of sexually explicit or offensive language or conversation, or the display in the workplace of sexually suggestive objects or pictures. This includes the placement of offensive materials on walls or bulletin boards or the circulation of offensive materials received electronically through the Company’s email or other electronic systems.

This and other sets of circumstances provided in this policy are not exhaustive; they are intended as guidelines illustrating violations of Macy’s, Inc.’s EEO & Anti-Harassment policy.
Other Forms of Prohibited Harassment

Similarly, a racially hostile working environment may be created by circumstances such as verbal abuse based on race, including the use of racial epithets, racial slurs, racial remarks, racially derogatory terms, and racial jokes or insults.

Other hostile work environments may be created by the use of epithets, slurs or derogatory terms, insults, jokes, or teasing based upon another's race, ancestry, color, ethnicity, age, religion, sex (including pregnancy and pregnancy-related conditions), sexual orientation, gender, gender identity, gender expression, national origin, physical or mental disability, genetic information, military and veteran status, marital status, medical condition, or any other category protected by law.

Macy's will not tolerate harassment of any type based on race, ancestry, color, ethnicity, age, religion, sex (including pregnancy and pregnancy-related conditions), sexual orientation, gender, gender identity, gender expression, national origin, physical or mental disability, genetic information, military and veteran status, marital status, medical condition, or any other category protected by law. Engaging in harassment of others will lead to discipline, up to and including termination.

Complaint Procedure

Any associate who believes they have been subjected to or observed such behavior by another associate, either in or outside of the workplace, must report the situation immediately to:

- A manager or supervisor;
- A Human Resources representative;
- ComplianceConnections at 1-800-763-7290 or www.macyscomplianceconnections.com; or
- Solutions InSTORE at 1-866-285-6689.

If a satisfactory response is not received from the person or office to whom a complaint was made, the associate should bring the complaint to the attention of another person or office listed above.

Supervisors must immediately report any complaint of harassment or discrimination to a Human Resources representative.

Macy's takes all complaints of harassment very seriously. All complaints will be promptly investigated and handled as confidentially as a thorough investigation allows.

Remedial Action

Following a complete review and thorough investigation of the complaint, appropriate remedial action will be taken. Any associate found to have engaged in harassment in violation of Macy's, Inc's EEO & Anti-Harassment policy, will be subject to discipline, up to and including discharge.

No Retaliation

Retaliation in any form against an associate or applicant who complains of discrimination or harassment, or against anyone who participates in the investigation of such a complaint, is strictly prohibited and will itself be cause for disciplinary action up to and including discharge. Any form of retaliation must be reported immediately pursuant to the Complaint Procedure outlined above.
Employee Rights and Responsibilities Under the Family and Medical Leave Act

Basic Leave Entitlement
FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements
Eligible employees whose spouse, son, daughter, or parent is on covered active duty or call to covered active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Benefits and Protections
During FMLA leave, the employer must maintain the employee's health coverage under any “group health plan” on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements
Employees are eligible for leave if they have worked for a covered employer for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the employer within 75 miles.

Definition of Serious Health Condition
A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.
Use of Leave
An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer’s operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave
Employees may choose or employers may require use of accrued paid leave while taking unpaid FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer’s normal paid leave policies.

Employee Responsibilities
Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer’s normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities
Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees’ rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee’s leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers
FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement
An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulations 29 C.F.R. § 825.300(a) may require additional disclosures

For additional information:
1-866-4US-WAGE (1-866-487-9243)
TTY: 1-877-889-5627
WWW.WAGEANDHOUR.DOL.GOV
Vendor-Paid Trip Policy

Macy’s may accept reimbursement (or payment in the first instance) from vendors for any charges relating to a Macy's associate's attendance at a vendor-sponsored business event, meeting or conference (such as travel, lodging, meals or registration costs) under certain circumstances. Any exception to this policy must be approved in advance in writing (electronic or otherwise) by the Office of Compliance and Ethics (officeofcompliance@macy.com).

Vendor-Paid Travel may be approved under the following circumstances:

- The trip must be approved in advance in writing (electronic or otherwise) by an Executive Vice President (or above) of the organization whose associates are attending the event. A copy of such written approval must be sent to the organization's HR Department for purposes of maintaining a record of vendor-paid trips as noted below.

- The purpose of the event is business and any recreational events sponsored by the vendor in connection with the event are incidental. Attendance at extraordinary recreational events paid for by the vendor (e.g., Super Bowl, NCAA Final Four, US Open, Sundance Film Festival), even in connection with company business, must be approved in advance in writing by the Office of Compliance and Ethics.

- Types of business-related events covered by the policy are seminars or education programs relating to a new vendor product or service, a new season's product line, a vendor manufacturing process, a vendor trade show or vendor sponsored industry conference.

- The event is held at the vendor's place of business (or in the same general geographic area in which the vendor is located) and is held in the continental United States.

- Reasonable trip-related charges payable by the vendor are airfare (coach fare), lodging (consistent with Macy's travel standards), meal and reasonable recreation expenses, conference registration costs and local transportation.

- NOTE – if during normal Macy's travel (i.e., expenses for the trip or conference are paid by Macy's and not paid by a vendor), a vendor wishes to take a Macy's associate out for a meal or attend a social event, then the Gifts and Entertainment Policy (which is contained in the Code of Conduct, available on InSite) would apply.

- Trip related charges (including meals) for a spouse or significant other may not be reimbursed or paid by the vendor.

- Only those Macy's associates for whom the event has demonstrable, direct business relevance may attend the event.

- The portion of the event attended by the Macy's associate may not exceed three business days (any part of a day during which the associate attends a business meeting associated with the event is considered one business day).

- The Human Resources Department in every organization will maintain a written record of all such vendor-paid trips taken during a fiscal year, recording all the particulars thereof (names of attending associates; venue, duration and purpose of trip; and amount of charges by associate by type (airfare, lodging, meals, local transportation, recreation) reimbursed by vendor), if known, and submitting the report to the Office of Compliance and Ethics within sixty (60) days following the end of the fiscal year.
Policy Regarding Confidentiality and Acceptable Use of Company Systems

Purpose
While working at or with Macy’s, Inc., or one of its subsidiaries (the “Company”), you may have access to certain non-public information (“Confidential Information” or “Internal Use Only” Information, as those terms are defined in the Macy’s Information Security Policy, collectively referred to as “Confidential Information” in this Policy, unless more specifically defined for the purposes of particular requirements). In addition, you may have access to Company systems and/or technology (including but not limited to computers, the computer network, voice mail, email, landline telephones, cellular telephones, fax machines, pagers, handheld email devices, and personal digital assistants (PDAs)) and systems connected to the Internet and/or intranet (collectively, the “Systems”), that are used to carry out the Company’s business.

This policy governs your use of, and access to, all Confidential Information and the Systems either as an employee of the Company or as an independent contractor or licensee who provides services to the Company and/or uses the Systems. By using or accessing Confidential Information or the Systems, you are agreeing to abide by this policy, as well as all other applicable Company policies.

This policy may not address every issue or question that may arise. You must exercise good judgment, and if you have any questions or concerns (e.g., regarding whether information is confidential or materials are inappropriate or offensive), you should resolve them with your Company supervisor.

Your Responsibility
It is your responsibility to read and to follow this policy, as well as the Macy’s Information Security Policy. If you violate any of these policies, you may be subject to disciplinary action, up to and including termination. In addition, access to the Systems may be suspended or terminated without prior notice.

A. CONFIDENTIALITY STANDARDS AND PROCEDURES
The following standards and procedures apply to your use of, or access to, all Confidential Information.

1. All Non-Public Information is Sensitive
Information that is not generally available to the public that relates to the Company or the Company’s customers, associates, vendors, contractors, service providers, Systems, etc., that you receive or to which you are given access during your employment or while you are performing services for the Company is classified as “Confidential” or “Internal Use Only” under the Macy’s Information Security Policy. This includes, for example, customer names, associate social security numbers, vendor terms, account numbers and driver’s license numbers. As is set forth in the Macy’s Information Security Policy, internal access to Confidential Information should only be granted on a “need to know” basis, and such information should not be shared with third parties without prior approval from your Company supervisor and consultation with the Law Department.

2. Obligations to Maintain Confidentiality
The Company is often obligated under its contracts to maintain information received from or relating to third parties as confidential. Such information also constitutes Confidential Information for the purposes of this policy. Such information may not be disclosed or discussed outside the Company except with prior approval from your Company supervisor and consultation with the Law Department. Disclosing Confidential Information may cause serious and irreparable injury to the Company, and these policies apply to you both during and after your employment or termination of your relationship with the Company.

Nothing in the Code or the policies it incorporates, is intended, or will be applied, to prohibit associates from exercising their rights protected under federal labor laws, including concerted discussion of wages, hours or other terms and conditions of employment. This Code is intended to comply with all federal, state and local laws, including but not limited to, the Federal Trade Commission Endorsement Guidelines and the National Labor Relations Act, and will not be applied or enforced in manner that violates such laws.
If you have any questions regarding whether information is Confidential Information, you should treat it as Confidential Information and seek guidance from your Company supervisor.

3. Use and Protection of Personal Data
The Company maintains certain information regarding its present and former customers, associates, and vendors. The Company respects the privacy of this data where it includes personally-identifiable information ("Personal Data"). Personal Data includes, for example, customer names, associate social security numbers, vendor terms, account numbers, driver’s license numbers and other similar data. The Company is committed to handling Personal Data responsibly and using it only as appropriate for legitimate purposes. This commitment requires that all Company associates, contractors, and third parties who are granted access to Personal Data by Company follow all policies adopted by the Company for the protection of such data against unauthorized use, disclosure or access. Such policies, including those set forth in the Macy’s Information Security Policy, may vary depending on the sensitivity of the Personal Data at issue.

Personal Data containing customer information or sensitive associate information, such as social security numbers, may not be shared with any third party without the written approval of your senior Sales Promotion executive or, for support organizations, your Chief Executive Officer. An associate’s own wage data and employee data lawfully obtained by association with co-workers is not covered by this policy unless such employee data was surreptitiously obtained from the Company’s private or confidential records.

4. Special Handling for Highly Sensitive Personal Data
You must not send or require others to send certain “Sensitive Personal Data” (including, but not necessarily limited to, social security numbers or other tax identification numbers, credit card numbers, bank account numbers or other account information, passport numbers, or medical information) over the Internet unless the connection is secure and the data is encrypted prior to transmission using the Company approved encryption method. Any transmission, storage, disposal, or other handling of Sensitive Personal Data should be carried out in compliance with the Macy’s Information Security Policy, which prohibits the storage of Personal Data on any portable removable storage device (including, but not limited to, USB drives, CDs, etc.). More information regarding storage can be found in Section A.7 - Confidential Data on Public Drives.

5. Sharing Email Addresses
Your email address itself is not considered confidential information but should only be shared with appropriate contacts outside the Company. Customer email addresses are considered Confidential Information, and should be not be shared with third parties without prior approval from your Company supervisor and consultation with the Law Department.

6. Email Confidentiality
When transmitting Confidential Information via email, be certain that it is only addressed to the intended recipients. Keep in mind that email may be readily printed or forwarded by the recipient, and be careful to only include content that is appropriate, business-related, and that is not likely to be misunderstood or taken out of context by the recipient or any others to whom it may be forwarded. Information subject to attorney-client privilege (i.e., communications with a lawyer about a legal matter) should be communicated by email only with appropriate disclaimers.

- A message subject to attorney-client privilege should include the following heading: “ATTORNEY-CLIENT COMMUNICATION: PRIVILEGED & CONFIDENTIAL”.

If information communicated outside Macy’s (external) includes Sensitive Personal Data (defined above), it must be encrypted prior to transmission using the Company approved encryption method. In the event the Company approved encryption method is not an option, the Sensitive Personal Data must be removed from all parts of the email before sending or replying to a recipient. Sensitive Personal Data included in internal email communications also must be encrypted or sent in the form of a password protected attachment. If you are uncertain of the appropriate method of communicating certain information, consult with your Company Supervisor or the Law Department.
Unless you have been instructed to keep messages for a legal matter, all voicemail or email messages no longer needed should be promptly deleted. For more information on email retention, email purges, and email standards, see Section C.3.

7. Confidential Data on Public Drives
Do not put Confidential Information, sensitive data, or privileged documents on public drives or the MyMacy’s Portal since these drives may be available to anyone with access to that network. If business requires you to temporarily store Confidential Information on a public drive or MyMacy’s Portal, you must take steps to protect the document from being viewed or altered by unauthorized parties. This may involve password protecting the document, designating it as “read only,” or placing a “write reservation” password on the document. Sensitive Personal Data or privileged documents must not be stored on public drives. In the event business requires you to temporarily store Sensitive Personal Data on a public drive, you must password protect the document.

8. Laptops, Cell Phones, Handheld Email Devices, and other Portable Devices (“Mobile Devices”)
Caution must be exercised when communicating Confidential Information or information subject to attorney-client privilege over portable drives, including, but not limited to, laptops, cellular phones or handheld email devices. Storage of Confidential Information on Mobile Devices should be limited to those instances where such storage is justified by applicable business requirements, and where appropriate security controls, as established in the Macy’s Information Security Policy, have been implemented. Laptops and Mobile Devices may be lost or stolen, and the storage of Confidential Information on such devices creates a security risk that must be mitigated. Sensitive Personal Data should never be communicated using or stored on Mobile Devices.

All information and documentation relating to Company security, including but not limited to Company security policies, procedures, audits and risk assessments, constitute Confidential Information. No such information may be disclosed or distributed to any employee without a “need to know” in the normal course of his or her assigned work duties. “Need to know” means that the person needs the information to carry out his or her job duties and, even then, only covers the specific pieces of information needed to do the job. Furthermore, no such information may be disclosed or made available to any third party, except with the approval of an appropriate senior Company executive (Vice President level or above).

B. COMPANY SYSTEMS
The Systems include all systems, applications, media and services that are
• Provided by the Company or accessed on or from Company premises, OR
• Accessed using any Company equipment or service, or via any Company-paid or Company-provided access methods (e.g., remote VPN access or email access on PDA), OR
• Used in a manner that identifies the individual with the Company (e.g., through a domain name or email address on the Internet that is tied to the Company)

Such Systems specifically include but are not limited to: hardware, software, computer networks, email, voice mail, phones, fax machines, intranet systems, and the Internet when accessed using Company equipment or any Company-provided access method.

C. ACCEPTABLE USE OF COMPANY SYSTEMS
This policy applies to your use of, or access to, any Systems. By accessing or using any Systems, you are agreeing to abide by this policy, as well as any additional policies or procedures that may be required by the Company.

1. Use of the Systems for Business Purposes
   a. The Systems are provided to serve business purposes only. They should be used to further the Company objectives that fall within the scope of your duties as an employee, independent contractor or licensee.
b. Limited occasional use for personal purposes is allowed only if the System is used (i) responsibly, (ii) during your own personal time, (iii) without any expense, burden, or risk to the Company or the Systems, (iv) not in connection with an alternative business enterprise, for financial gain (other than in connection with employee benefits), or for any purpose that is illegal, inappropriate, or contrary to Company policies or procedures, and (v) with the approval of your Company supervisor.

2. No Expectation of Privacy When Using the Systems
You have no expectation of privacy when using the Systems, including voicemail, email, Internet, Intranet, and word processing. Subject to applicable laws, your use of the Systems may be monitored, and all information on the Systems may be monitored, accessed, duplicated, deleted or disclosed at any time without notice to you and without your permission. The Company further has the right to limit, block, monitor, remove, and/or record access by any employee, contractor, or licensee when using the Systems and when accessing any information on the Internet or Intranet.

3. Corporate Email Retention Policy, Automatic Deletion of E-mail, and Your Obligations During Lawsuits
You must comply with the Corporate Email Retention Policy. Under that policy, emails are automatically deleted from the Systems after 60 days. If you have a critical business need to keep email for more than 60 days, you must move it to your Business Critical folder or print a copy. Items will be retained in the Business Critical Folder for 1 year from the date they are moved there. Use the Business Critical folder only for emails that are needed for critical business reasons (e.g., meeting notes for ongoing projects, budgets, etc.); do not use it as a storage device for non-critical emails. In the event that you are identified as someone who has information related to ongoing litigation, you will be instructed not to delete any emails related to that case, and the law department will place your email account on a separate litigation server to ensure that your emails are backed up and saved until they are no longer needed for that case. Following all instructions provided in such cases and preserving all records, including emails, is critical.

4. Systems Access Restrictions
a. Non-employee access to the Systems is restricted and may be given only for Company business purposes (e.g., for the development of software or an Intranet page) and only with appropriate approvals and the issuance of a separate user identification and password in compliance with the Macy's Information Security Policy.

Any non-employee who is permitted access to the Systems must agree to abide by this policy and the Macy's Information Security Policy through signature or Company contract.

b. Except for authorized Company representatives, no person may access any other person's voice mail, email, files, or other Systems, and no person may use or access any Systems using another person's user id and/or password. However, in appropriate circumstances where there is a sound business need (for example, to access information needed for an internal investigation or to copy files after an employee is terminated), an Enterprise Information Security Team may grant authorization to an appropriate executive to access another employee's voice mail, email, files, or other Systems. NOTHING IN THIS SECTION CREATES ANY EXPECTATION OF PRIVACY OR RESTRICTS COMPANY'S RIGHT TO MONITOR ANY USE OF COMPANY'S SYSTEMS AS DESCRIBED ELSEWHERE IN THIS POLICY.

c. When you are away from your computer, you must either log off or use the Control-Alt-Delete function to lock your computer and prevent any other person from accessing the Systems using your log on.

d. Accessing information, data, and/or files without a legitimate business reason and proper authorization is prohibited. You must not attempt to obtain unauthorized access to any Company System or any protected or restricted file or area on any Company System without approval from the Chairman, President, or CFO of Macy's Systems and Technology, or the Chief Legal Officer of the Company. Furthermore, the Systems may not be used to gain unauthorized, illegal, or improper access to any other computer, system, or Web site outside the Company. All access to Company information must comply with the Macy's Information Security Policy.
e. Vendors and independent contractors authorized to access the Systems may only access information on such Systems that has been specifically approved by Company management.

5. Password Management

a. Passwords are used to secure the Systems. Passwords are not intended to assure employees that messages or information on these systems will be kept confidential or private. The Company reserves the right to reset your password without notice and to revoke your access to some or all of the Systems at any time.

b. You must protect the confidentiality of your password and change it on a regular basis. You must change it immediately if you think the confidentiality of your password has been breached. You must not share your password with anyone else. In an emergency or when otherwise appropriate, your supervisor may have your password reset.

6. Restrictions Regarding Email and Internet Use

a. The Systems may not be used to access, create, post, upload, download, or send any information, files, programs, messages, email, or other material that may potentially be abusive, harassing, defamatory, illegal, threatening or obscene, or may otherwise violate the Company’s Diversity or EEO & Anti-Harassment Policies. For example, Systems may not be used to create or transmit any information or files that may potentially contain sexual implications, racial slurs, or any comments that may offensively address age, gender, race, sexual orientation, religious or political beliefs, national origin, or disability. If you inadvertently access an inappropriate site or information, (e.g., pornographic, sexually explicit, gambling, promotes unlawful discrimination or hate, etc.) promptly notify your supervisor and HR representative in writing so that both you and they have documentation reflecting that your action was not intentional in the event that you later are asked about the site or information you accessed.

b. If you receive any emails from people inside or outside the Company (including, for example, unsolicited emails containing sexually explicit or derogatory materials) that you feel are abusive, harassing, defamatory, illegal, threatening or obscene, or may otherwise violate the Company’s Diversity or EEO & Anti-Harassment Policies, notify your supervisor and/or HR so that appropriate steps may be taken to stop such emails in the future.

c. No employee may send or authorize a third party to send marketing emails without prior authorization from Company’s senior management. All marketing emails are approved by properly authorized executives using approved email service providers and following legal requirements for commercial email.

d. The Systems may not be used in a manner that overloads the Systems (e.g., by sending email to a large group of users unless appropriately authorized and required in the performance of your work duties).

e. The Systems may not be used for solicitations for commercial ventures, religious or political issues, or outside organizations, except with prior authorization from your CFO or appropriate senior public relations or HR executive.

f. The Systems may not be used to distribute or publish chain letters or copyrighted or otherwise protected materials. If you receive any chain letters, delete them and do not forward them to anyone else. They overload the Systems and may make others uncomfortable.

g. The Systems may not be used to participate in Internet discussion groups (i.e. blogs or social media, etc.) unless such participation is authorized and is related to your job.

h. Only the Macy’s Corporate Communications Department and designated public affairs executives may make, or authorize others to make, public statements on behalf of the Company.

i. Do not send emails or other electronic communications that attempt to hide the identity of the sender or represent the sender as someone else.

j. Only employees who have a business purpose for using the Social Media will be granted access, and that access may be limited. You may apply for Social Media access using the designated electronic form.
k. Unless authorized by the holder of the copyright, no copyrighted information (e.g., news articles or pictures) may be transmitted or posted on or downloaded from the Internet. Similarly, all non-public information on the Company Intranet is considered Confidential Information and is subject to copyright protection; therefore, it may not be shared outside of the Company without appropriate authorization.

l. Any message or information you send by Company email or on the Internet/Intranet may identify you with the Company; therefore, all such communications must comply with this and other Company policies.

7. Restrictions on Hardware and Software Installation

Only authorized Macy’s Systems and Technology (MST) personnel may purchase or authorize the purchase of hardware or software for any the Systems. Only authorized technical support personnel may install hardware, software, or shareware, or copy or delete any software from any Systems. In addition, MST must approve any direct software downloads.

All software and other equipment must be used in accordance with applicable licensing agreements and Company policies. Individual drives may be audited at any time to determine whether unauthorized software has been installed, and, if so, it will be deleted. If you are aware of any misuse of any Systems or software, you must report such misuse to your Company supervisor or MST.

8. Other Restrictions on Copyrighted Material

You may not download, copy from a CD or DVD, or otherwise transfer onto the Systems (including the hard drive of your Company-provided computer) any music, video or picture files or data that is protected by copyright. This includes but is not limited to MP3 files of songs, JPEGs of photographs (other than personal photographs), images from an outside websites, and video clips (other than video clips or streaming video provided by the Company or personal to you). Whenever you need such files or data to perform your job, you must ensure that you have all necessary licenses to any creative work you are transferring to the Systems and using. For assistance, consult with the Law Department.

9. Intellectual Property Rights

Any business procedure, software, program, system, application, Web page, methodology, design, drawing, or other creative work developed by you while you are working as an employee, independent contractor, or licensee at the Company is the property of the Company unless completed on your own non-work time and demonstrably unrelated, as determined by the Company in its reasonable judgment, to the subject and methodology of the areas of your employment, contract or license. The Company shall have the intellectual and other proprietary rights (including patent and copyright rights) in all such works, and you agree to protect the Company’s intellectual and other proprietary rights in any such works. You agree that each such work shall be a “work made for hire” under the United States Copyright Act of 1976, as amended. If any such work does not qualify as a “work made for hire,” you hereby assign to the Company, absolutely and forever, all rights, title, and interest in and to all copyrights, patents, trade secrets, and other proprietary rights in and to such works throughout the world and agree to record such assignment and enforce such rights. This does not apply if you develop an invention entirely on your own time, without using the Company’s equipment, supplies or facilities, that is unrelated to the Company’s business and did not result from your work for the Company.

10. Suspected Computer Viruses

If you learn of any computer virus or other IT security problem, you should contact the MST Help Desk to address it. If you receive a suspicious email, do not open it. Please report it either using the Report Phising button in Outlook, or by forwarding to bademail@macys.com or bademail@bloomingdales.com.
11. Caring for Company Equipment
   a. You must maintain the Systems and equipment in good working order. You must contact the MST Help Desk to address any problems or for necessary maintenance.
   
b. If possible, label handheld equipment with your contact information (if it’s not otherwise obvious) so that it may be returned to you if you misplace it.
   
c. When you leave the Company, you must return all Company-provided equipment, as well as Systems access mechanisms or software

12. Reporting Loss of Equipment or Security Breaches
   a. You must protect the physical security of the Systems and equipment and must immediately notify your local technical support team, the Enterprise Information Security Team and/or your HR department if you lose or misplace any Company equipment (e.g., a laptop, handheld email device, storage device or cell phone). If any Personal Data was stored on or accessible through those devices, our Security Incident Reporting Procedure must be followed.
   
b. If you suspect or learn of any breach or vulnerability in our Systems security (e.g., someone has or potentially has inappropriately accessed any Company System or data) or if you suspect or learn of any loss of customer, employee or vendor information (whether that information is on paper or on a System), immediately report it to your Enterprise Information Security Team using the Macy’s Security Incident Reporting Procedure. Immediate action is necessary to investigate the incident, address any issues and restore the integrity of our Systems.

13. Blogging and Social Media
   You may not blog or access external social media sites while on Company time, unless doing so is part of your job responsibilities. And while what you do on your own time generally is your affair, your conduct, even while off-duty, can reflect on and affect the Company. Although you can engage in legally protected conduct, keep in mind that the rules regarding safeguarding Confidential Information and professional behavior apply. Do not use or disclose any Confidential Information (i.e. trade secrets, business or sales plans, etc.) or violate others privacy rights. Also, never make discriminatory, retaliatory, defamatory, harassing, abusive or obscene comments with respect to the Company, its associates, business partners, customers or vendors. Do not infringe copyright or intellectual property of others. You may be invited to become a friend or associate of someone on social media sites. Feel free to remain silent or say no. You may be asked to provide a testimonial for a friend or associate. If you choose to do so, make sure you are clear that you are expressing your own views and opinions, and that you do not speak on behalf of the Company. And keep in mind that only authorized individuals may speak for the Company on social media. If you choose to interact with postings by or about the Company on external social media sites on your own time, be upfront about who you are, that you work for the Company, that you are expressing your own opinion, and that you are not speaking for the Company.

D. DISCIPLINARY ACTION
   Any employee who violates any of the standards, policies, or procedures contained in this Policy may be subject to disciplinary action, up to and including termination of employment or termination of relationship with the Company. Contractors or licensees who violate this Policy may be removed from their assignment with the Company.
Associate Data Security Policy

In the course of conducting business, you may need to collect and use associates’ sensitive personal information. Sensitive personal information refers to data that can be used (or misused) to validate a person's identity or commit fraud, e.g., the associate's name along with his or her home address, telephone number, social security number, date of birth, driver’s license or other government-issued identification/passport number, bank, credit or debit card account number, or mother's maiden name. The Company recognizes and requires that reasonable protections must be taken to maintain the confidentiality of sensitive personal information. To that end, the following guiding principles serve as the standards and procedures that you must apply when handling such information. However, these guiding principles cannot address every situation or issue. In some instances, therefore, you must exercise good judgment, and partner with your supervisor and/or Human Resources as needed.

Guiding Principles about Collection and Use of Information

• Only gather sensitive personal information if necessary for an express business purpose. For example, a business license application specifically requests the personal information of an individual. Do not provide more information than an application may require by furnishing a template that includes sensitive personal information that is not requested, or that includes the names of more individuals than requested. This also means reducing the number of officers or agents listed on certain filings, if appropriate.

• Human Resources should be notified in advance of the initial request to gather sensitive personal information from an associate. If appropriate, Human Resources should contact the associate to explain why such collection is necessary.

• Prior to collecting and/or distributing sensitive personal information, determine whether the process can be completed without the information. For example, if a third party process requires the disclosure of sensitive personal information, contact the third party to determine if the Company can be excused from the disclosure, or if alternate information may be provided instead.

• Do not collect or transmit sensitive personal information electronically (i.e., via Microsoft Outlook, the Internet) unless the connection is secure. Do not move secured information to an unsecured, unprotected format.

• Personal information should be shared on a business “need-to-know” basis only.

Guiding Principles about Maintenance of Information

• Maintain any hard copy records containing sensitive personal information in a manner that ensures confidentiality. For example, records should not be kept in unsecured areas such as desktop or unlocked file cabinet; instead, records must be stored in locked file cabinets or locked offices. If records are not in a locked cabinet, then when leaving the office, even if only for a short while, the office should be locked.

• Maintain any electronic records containing sensitive personal information in a manner that ensures confidentiality. For example, electronic records should be stored on a non-public drive and should be password protected.

• As a customary practice, sensitive personal information should not be stored on portable electronic devices, including, but not limited to, laptops, blackberries or memory sticks. In those rare instances where it is necessary to receive and/or store such information on a portable device, you must apply appropriate safeguards to protect the data and the device. If the device is lost or stolen, you must immediately notify Human Resources.

• Access to and use of any records containing sensitive personal information should be restricted to those on a “need-to-know” basis.
Guiding Principles about Storage and Destruction of Information

- Ensure that records with sensitive personal information that are sent to off-site storage are properly secured. For records containing personal information, on the packaging label designate the department as Confidential Information. Also, ensure that the containers are properly sealed prior to shipping off-site.

- Follow the Company’s record retention guidelines and timely destroy all records containing sensitive personal information.

- When sensitive personal information is destroyed, ensure that it is totally destroyed and not recoverable. Paper records must be shredded. Electronic records must be purged from computers, servers and back-up drives. The disposal of sensitive personal information as ordinary garbage, without first shredding, burning, pulverizing, erasing or otherwise destroying the material or medium, is prohibited.

- If the sensitive personal information of multiple associates is maintained in a single electronic document (e.g., a spreadsheet) if an associate’s employment ends, the sensitive personal information of that individual should be deleted from the document. Individual’s names should also be removed if the person withdraws consent and as officer slates change.

Guiding Principles about Loss, Theft, Improper Access and Inadvertent Disclosures

- In the case of any loss, theft, improper access or inadvertent disclosure of sensitive personally identifiable information, you should immediately notify Human Resources. You may learn of an inadvertent disclosure or theft by a third party, e.g., a letter from an agency to whom the Company transmits personal information. You may also become aware of missing files. If you believe that data within your control has been compromised, you should notify Human Resources immediately.

- If a portable electronic device containing sensitive personal information is lost, stolen or misplaced, notify Human Resources immediately.
Antitrust Guidelines

Macy's, Inc. and its subsidiaries and organizations ("Macy’s" or the "Company") are committed to strict compliance with the antitrust laws. The Company provides these Guidelines to each of its merchandising associates ("we" or "us" or "you") each year.

I. General Policy

Our Company competes vigorously and fairly, on the basis of its independent business judgment, and complies strictly in all respects with all applicable laws, including the antitrust laws, in each case willingly and without exception.

Each of us should read, fully understand and comply with these Guidelines. We should read them as often as necessary and consult with the Law Department concerning any matter we do not understand. At least once a year, each of us must certify to the Chief Executive Officer of our organization or subsidiary that we understand these Guidelines. These Guidelines

1. set forth some basic principles that we must follow in dealing with resources;
2. are not intended to restrict us from engaging in normal business related conversation and activities with resources regarding merchandise assortments, merchandise price, resource in-store support, resource advertising support, etc., so long as we act in compliance with the current Guidelines;
3. do not summarize all of the antitrust rules (additional antitrust rules can affect us, and if we have any doubt as to the legality of a proposed course of action, we should consult with the Law Department before taking that action); and
4. prohibit some conduct as a matter of prudent policy that may not under all circumstances violate the antitrust laws; however, we believe that it is important to avoid even the appearance of an antitrust problem.

II. Consequences of Noncompliance

Violating the antitrust laws can result in very severe consequences for you and for the Company.

1. If you were to authorize, order or participate in conduct that violates antitrust law, you could be guilty of a felony and could be subject to
   a. imprisonment for up to ten years,
   b. a fine of up to $1,000,000,
   c. an injunction that could limit your conduct,
   d. damage to your reputation, and
   e. being fired from your job.
2. If the Company were to violate antitrust laws, it could be guilty of a felony and potentially subject to
   a. a fine of up to $100,000,000,
   b. a penalty of treble damages,
   c. an injunction that could limit our conduct (and even limit conduct that would otherwise be lawful, thereby putting us at a competitive disadvantage), and
   d. damage to the Company’s reputation.
In addition, antitrust litigation can be extremely burdensome and costly in terms of executive time and legal fees. Antitrust actions could also be harmful to your business reputation, to our business reputation and to employee morale.

III. Avoiding the Appearance of an Antitrust Problem – Emails
Following the letter of these Antitrust Guidelines is not enough. Following the spirit of the Guidelines is not enough either. Each of us has to also make sure that the things we do and the communications we send while we engage in legitimate business activities cannot be misinterpreted by anyone else as violating either the letter or the spirit of the Guidelines, either at the time we do them or afterwards. Emails are one of the most common ways that people risk being misinterpreted or risk having their conduct misconstrued.

We conduct more and more business electronically by email. As a consequence, we create an email trail on almost every transaction, and although we may think we have erased an email, inevitably a copy of that email still exists on a Macy’s server or on someone else’s server. We often print and/or forward emails to others without regard to their content. The costs of retaining emails and ultimately searching and producing such emails in investigations and litigation are enormous and growing. Moreover, we develop our own language or short hand way of communicating. While we and the people we email understand the short hand communications at the time, the short hand communications can lead, in hindsight, to false conclusions or the appearance of unlawful activities. If any of us receives such an email, or if we think that we may have sent such an email, we should immediately contact the Law Department. We should not respond to such an email we received and should not try to correct such an email we have sent without, in either case, seeking legal advice immediately.

1. We should think about any email we send or receive – think about whether it is clear and complete and whether it says everything it needs to say so that it cannot be misinterpreted or misconstrued – even by someone looking at it after the fact who has not been involved in our back and forth or give and take. We should be careful what we write in an email. For example, a resource may email you that the “break date is August 15,” which appears to suggest that you and that resource have agreed upon a break date when in fact the resource simply is advising you that mark down money is available to support lowering the retail price. It is important that you refer such an email to the Law Department so they can assist you in drafting or responding to such email and that your message is clear that you are not reaching an agreement on sensitive areas such as the retail price or break date.

2. We should make sure that any email between any of us and a resource is limited to just us and the resource. It is so convenient today for a resource to email you and other retailers at the same time. But such an email poses an antitrust risk. Our Company cannot communicate with its competitors directly about certain subjects, and it cannot do so indirectly through a resource. An email which shows that it has been sent to our Company and to other retailers is unacceptable. Additionally, an email that names other retailers or channels of distribution is unacceptable. If any of us receives such an email, we should immediately contact the Law Department. We should not respond to that email without legal consultation, and we should seek that legal consultation immediately.

3. We should avoid internal emails expressing opinions about what a resource’s distribution practices should be or what our Company might or should do about it. Because emails are written so informally, oftentimes with such little precision and incomplete accuracy, and given the legal and business sensitivity of the subject of a resource’s distribution practices, we should confine internal emails on the topic to factual statements about what the resource is doing or intends to do, or what our Company is doing or intends to do. As discussed above, all such emails must be clear and unambiguous. Such emails should not express our Company’s opinion on this subject (e.g., what our Company thinks about what a resource is doing or should do, or what our Company might or should do about it). Any external emails to resources on the subject should comply with the principles set out below.
IV. Guidelines for Relations with Competitors

A. General Policy
Our Company sets its own prices, markups, markdowns and the other terms and conditions for the sale of its merchandise or services without any understanding or agreement, collaboration, consultation, or exchange of information with any competitor.

1. In these Guidelines, “competitor” means any other retailer of merchandise similar to merchandise we sell. Stores that are subsidiaries or organizations within our Company are not “competitors.”

2. Our Company prohibits discussions, exchanges of information, agreements or understandings in direct communications with competitors and in indirect communications, through the use of intermediaries or otherwise.

3. We may make decisions regarding any of our prices, terms or conditions of sale based upon publicly available information about competitors’ prices, terms or conditions (e.g., advertisements), but we should not under any circumstances communicate with any competitor regarding those prices, terms or conditions. We should document the source of the publicly available information whenever possible.

4. We may not reach any agreement or understanding or hold any conversation, formal or informal, with any competitor which would give either or both of the parties a basis for an expectation, whether or not fulfilled, that a price, business practice or decision if adopted by one will also be adopted, supported or concurred in by the other.

5. If at any time or place any competitor begins to discuss prices, markups, markdowns, other terms or conditions of sale, or relations with resources, we must immediately refuse to discuss these subjects and, if necessary, leave the room or hang up on a telephone conversation rather than listen to such discussion. These prohibitions against discussions with competitors do not apply to discussions solely within the Company. We may discuss any business practices and problems with employees of the Company, including those employed by other organizations or subsidiaries, provided that
   a. no one other than Company employees are present, and
   b. there is no reason to believe that any of the persons we are talking to will not comply with the instructions in these Guidelines.

B. Pricing
Our Company absolutely forbids an associate or anyone else on its behalf, under any circumstances, to discuss, exchange information, make any agreement or reach any understanding with any competitor regarding our prices or markups – present or future – or the competitor’s prices or markups – present or future.

1. The antitrust laws do not prohibit a retailer from conducting comparative shopping. If we need to ascertain the prices charged by a competitor, we may shop the competing store. Preferably, we should use Company associates for any comparative shopping. If we use contract comparative shoppers, the shoppers may share the information they obtain only with our own employees.

2. While competitors are free to shop our stores to ascertain our current prices, we may not respond to any competitor’s request to verify those prices. If a competitor asks what our price or proposed price is for any items, we should tell him that we do not discuss such matters with competitors.
C. Timing of Markdowns, Promotions and Clearance

Our Company absolutely forbids any associate or anyone else on its behalf, under any circumstances, to discuss, exchange information, make any agreement or reach any understanding with any competitor regarding the timing or amounts of, or the merchandise involved in, any markdowns, promotions or clearances.

1. There are no circumstances under which competitors may discuss the dollar or percentage amounts of markdowns or sales or the nature or identity of the merchandise involved.

2. There is only one situation in which the timing of promotions may be discussed with competitors, and the conditions of such discussions are strictly limited. We may cooperate with a geographically-oriented merchants’ association (e.g., downtown area or shopping center) in special local events designed to draw customers to the shopping area at a particular time. In this connection, you may announce our policy that we will have some merchandise on promotion during the particular event. But we may not

   a. discuss what merchandise will be promoted or the prices involved;

   b. make an agreement or understanding that we will not engage in markdowns, clearances or promotions at times other than the local event; or

   c. discuss the nature of any competitor’s promotions.

D. Other Terms and Conditions.

Our Company absolutely forbids any associate or anyone else on its behalf, under any circumstances, to discuss, exchange information, make any agreement or reach any understanding with any competitor regarding any other terms and conditions of sale to customers.

1. We may not discuss, exchange information, make any agreement or reach any understanding with any competitor concerning such matters as the following:

   – alteration charges;
   – delivery charges;
   – break-point for free deliveries;
   – merchandise exchange policies;
   – charges for appliance warranties;
   – servicing charges;
   – layaway charges;
   – credit service charges;
   – check cashing charges;
   – gift wrapping charges;
   – free gift wrap policy;
   – shopping bag charges;
   – furniture or fur storage charges;
   – period for free furniture storage;
   – store hours; or
   – other similar terms and conditions.

E. Trade Associations

We may not join or participate in the meetings of any trade association, other than national associations such as the NRF or state associations, unless our senior management has first formally determined that the association serves a legitimate business purpose and that its activities are adequately supervised by counsel.

1. Many trade associations perform useful and legitimate functions, e.g., facilitating the exchange of information on technological developments, standards, and governmental regulations. There is no reason to refrain from supporting such legitimate associations.

2. Trade association meetings, however, provide opportunities for informal gatherings of competitors and consequently expose each person present to the risk of a charge of collusion if such gatherings are later followed by parallel action.
3. Consequently, you must take great care not only to avoid any discussions or understandings regarding terms or conditions of sale, but also to avoid the appearance that such discussions or understandings have taken place. If any participant in an association meeting begins to discuss competitive pricing or any other terms or conditions of sale, you must immediately state that you cannot participate in such a discussion and you must leave the meeting.

F. Resources
Our Company strictly limits discussions with any competitor regarding our relations or the competitor’s relations with resources.

1. We may not explicitly or impliedly agree with any competitor to refuse to deal with any resource. Specifically, we may not discuss or reach any understanding with a competitor that the Company or the competitor will:
   a. purchase only from “legitimate resources”; or
   b. refuse to purchase from resources who sell to “price cutters”; or
   c. discontinue purchasing from resources who do not maintain or police suggested minimum resale prices.

2. We may not discuss with any competitor the existence, adequacy or amount of any resource’s suggested retail prices.

3. We may not discuss with any competitor our or any other retailer’s policy regarding adherence to suggested retail prices or any resource’s practices of enforcing suggested retail prices.

4. We may not discuss with any competitor any resource’s distribution policies, including exclusives and selective distribution.

5. No one other than representatives of our Company and the resource may be present when we discuss terms or conditions with any resource.

V. Guidelines for Relations with Resources

A. General Policy
In the exercise of independent business judgment, we are free to determine which resources our Company will do business with. Resources acting at all times on the basis of their independent business judgments are free to determine which retailers they will do business with.

B. Retail Prices
We may not reach any agreement or understanding with any resource as to the price at which our Company, or any other retailer, will sell the resource’s merchandise.

We are completely free to charge whatever retail price we independently determine is appropriate for all our merchandise. Every competitor has the same right.

If a resource asks what retail price we are charging or intend to charge for his merchandise, we may tell him the price. At the same time, we must make clear that

1. He may not inform any competitor or other resource of our price, and

2. We reserve the right on the basis of our independent business judgment to charge whatever retail price we deem appropriate.
C. **Suggested Retail Prices**

A resource may independently suggest retail prices. In such a case, the retailer is legally free to sell at the suggested price, or not, as he sees fit. Before July, 2007, a vendor could not, under any circumstances, require a retailer to agree to charge a minimum price for the vendor’s goods. In 2007, the Supreme Court ruled that minimum price agreements are not automatically illegal. However, they are still fraught with substantial legal risk, because they are still considered illegal under certain states, and the subject should be dealt with only with extreme care and in consultation with the Law Department.

If a resource proposes that we agree not to sell the vendor’s products below a minimum price, we should clearly and unequivocally reject that proposal and contact the Law Department immediately.

If a resource proposes to sell us products with a suggested retail price,

1. The suggested retail price must originate with the resource, based on his own independent assessment of his business interests.
   a. We may ask a resource whether he has a suggested retail price and, if so, what it is.
   b. We **may not** orally or in writing request a resource to commence the practice of suggesting retail prices if he is not doing so.
   c. We **may not** orally or in writing request a resource who does suggest retail prices that he alter his price suggestions in any way.
   d. We may unilaterally determine not to purchase from any particular resource, including resources who do not suggest retail prices or whose suggested prices we deem unsatisfactory.

2. While we may legally purchase from resources who sell on a suggested price basis and may legally sell at that price if that is our own determination, we may not orally or in writing give the resource any affirmation or promise that we will maintain the suggested price. We should tell resources who ask for such a promise that, while we fully understand their suggested resale price policy and the possible consequences of not following it, our Company’s policy does not permit us to give the resource an agreement or understanding that our Company will maintain the price.

3. In discussing a suggested resale price, we may not discuss with the resource whether other retailers have indicated a willingness to sell at the suggested price. We also may not discuss the suggested price policies of other resources.

4. Fair-trade laws have been abolished. The only recourse of a supplier whose suggested retail prices are not being utilized is to discontinue selling to the retailers involved. It is strictly up to the resource to determine whether he wishes to take such action.

D. **Suggested Markdowns and Clearance Dates**

A resource may suggest markdown levels or clearance dates on its merchandise in conjunction with suggested retail price or otherwise.

Again, if a resource proposes that we agree to markdown levels or clearance dates, we should clearly and unequivocally reject that proposal and contact the Law Department immediately.

If a resource suggests markdown levels or clearance dates,

1. In every respect, the suggestions must originate with the resource. If we wish to markdown items, we are always free to do so.

2. We are free to follow or not to follow the resources’ suggestions, as we see fit.

3. We may not agree with or promise the resource that we will adhere to his suggestion. We may advise him that we understand his policy and the consequences of any failure to follow the suggestions.

4. We may also request margin support from a vendor when we have unilaterally decided to markdown an item.
E. Failure of Competitors to Follow Resources’ Price or Clearance Date Suggestions.
Retailers are free to stop buying from a resource for any reason, including the fact that the resource’s product is being sold elsewhere in the trading area at prices that make it unattractive for the retailer to handle. A retailer may not, however, threaten or coerce a resource into policing or enforcing suggested retail prices or clearance dates as a condition of continuing to do business with the resource, nor may a retailer make any kind of agreement with a resource on this subject. Special care must be taken in discussing with a resource the fact that his price or clearance date suggestions have not been followed.

1. We should not communicate at all with the resource about the failure of competitors to follow suggestions. We should simply take appropriate action to dispose of our inventory.

2. If we choose to mark down merchandise because of competitive pricing, we may inform the resource -- after taking the markdown -- of the store’s policy to meet competitive prices, and that we have marked the merchandise down from the suggested price to meet competitive prices in our area. Subject to the conditions mentioned in Section V.B. above, we may also advise him what our markdown price is. However, we may not do any of the following:
   a. We may not identify the price cutting retailer by name or otherwise.
   b. We may not inform the resource of the competitive price.
   c. We may not request the resource to take any action to change any retailer’s prices or otherwise enforce or maintain his suggested retail prices.
   d. We may not request the resource to discontinue selling to any competing retailer.
   e. We may not request the resource to buy up any competing retailer’s stock.
   f. We may not undertake to buy up any competing retailer’s stock with the understanding that the resource will reimburse our costs.
   g. We may not request the resource to set up an effective program to maintain his suggested prices.
   h. We may not threaten to discontinue buying from the resource unless he takes action to maintain his suggested price.
   i. We may not reach any agreement or understanding with respect to the above items.

3. If a resource informs us that he will take or has taken steps to ensure adherence to retail prices or clearance dates in our area, we should advise him that we cannot and did not request him to take any such action. He is free to conduct his business as he sees fit, and we will continue to make our buying decisions in accordance with our legitimate, independent business judgment. Consultation with the Law Department on this subject is essential.

4. If, after we have discontinued buying from a resource, or before we commence dealing with a new resource, the resource seeks to obtain our business by informing us that he is taking steps to maintain his suggested retail prices or clearance dates, we should advise him that we will determine whether or not to purchase his goods solely on the basis of the merchandise’s value, potential profitability, and compatibility with our needs.

5. If a resource advises us that he will no longer sell us merchandise because we have cut the price, we may advise him of the reason for the markdown (e.g., to meet competition) and should contact the Law Department. We may ask the resource to reconsider his decision, but we may not give him an assurance that we will follow his price suggestions in the future. (See Section V.C. above.)
F. Exclusivity
A resource has the right independently to determine its own distribution policies and to select the parties to whom it will or to whom it will not sell. By the same token, our buyers have the right freely to determine from which resources they will buy. Accordingly, we are free to accept merchandise from a resource which the resource independently determines it desires to provide exclusively to us. However, we must take special care in any discussion of exclusives with a resource.

1. You may request an agreement or commitment from a resource to sell its line exclusively to our stores in all or any part of our trading area, provided that you do not request that the resource discontinue its business with a competitor. Your request should, therefore, be limited to product launches or limited periods where the product has yet to be offered in a particular trading area.

2. If a resource has a policy of granting exclusives, or if it indicates that it is willing to consider an exclusive, you may inform him of the affirmative reasons why it may choose to offer an exclusive of particular styles to our Company.
   a. We may advise the resource of the benefits that will result from our handling, display and promotion of its merchandise.
   b. You may advise the resource of our substantial investment in the creation of a prestige image and the consequent benefit to the resource of identification with our Company.
   c. When such is the fact, you may point out that our advertising carries the resource's name in the case of exclusive merchandise but not otherwise, and that the exclusive helps the resource by building up its image among consumers.
   d. When it is true, you may emphasize that we concentrate more of our advertising budget on exclusive merchandise. Such concentration in turn aids the resource by enhancing his public image and increasing its sales.

There may be other reasons for exclusivity, but these should be discussed with the Law Department.

3. In discussing exclusives with a resource, you may not do any of the following:
   a. We may not mention any other particular retailer, or type of retailer, which we do not want the resource to supply.
   b. We may not mention any other retailer's prices, advertising practices, or markup policies.
   c. We may not mention discount operations or refer by any means to the pricing policies of other retailers.
   d. In discussing the geographic area covered by a resource's exclusive, we may not use specific locations which have the practical effect of identifying particular competitors or types of retailers. Rather, we should keep our discussion of the geographic area as general as possible.
   e. We may not refer to exclusive arrangements, or any other relations, between our Company and any other resource.
   f. We may not discuss the resource's exclusive arrangements, or any other relations, with any other retailer.
   g. We may not participate in discussions with other retailers, or in meetings with other retailers and/or other resource representatives, concerning the exclusive of any resource's merchandise to specified outlets, types of outlets or areas. Exclusive discussions should be held solely between representatives of our Company and the particular resource involved.
4. Even though exclusive arrangements are generally permitted, there are some limited circumstances where we should still avoid them. These can include situations where
   a. a resource has a monopoly on the kind of goods involved (as distinguished from his particular brand) or
   b. we may have exclusives with so many of the suppliers of a kind of goods that someone could claim we are trying to foreclose competitors from access to the market.

   If you have a sense that either of these situations might apply, you should consult with the Law Department before discussing a possible exclusive arrangement.

G. Minimum Advertised Price (MAP)
A vendor may have a MAP policy. Should you receive a copy of such a document, please forward it to the Law Department. These are permissible, provided that they do not request your agreement to adhere to the minimum price or your agreement to adhere to a markdown schedule. A vendor may condition its markdown or advertising support on a retailer not advertising below a MAP and it is free to discontinue selling to that retailer if it chooses to.

VI. Guidelines – Communications with Resources on Distribution Issues

A. Introduction
These Guidelines are designed to avoid antitrust liability for agreements that may restrain competition among resources and/or retailers in respect of a resource's distribution practices. Implicit in the Guidelines is the recognition that our Company competes with a broad spectrum of retailers, from mass merchandisers to high-end luxury retailers, and everything in between, and that there is a large variety of resources for virtually every product line that our Company is interested in carrying. Notwithstanding the breadth of such competition and the multiplicity of such resources, the subject of antitrust and the principles set out in these Guidelines are extremely important to our Company and its interaction with resources on distribution issues.

B. General Policy
A resource is free to independently determine to whom it will sell its merchandise. We are free to independently determine which resources we will do business with. We are free to independently determine whether we will do business with a resource based upon the resource's distribution policy and practice. We are not free to do business with a resource on condition the resource agrees to change its distribution policy and practice. However, we are free to accept merchandise from resources who determine independently that they desire to sell us on a selective basis. If a resource indicates an intention to sell us on a selective basis, or otherwise raises this subject, you should indicate that this is a matter the resource must independently determine on its own. Before we discuss the subject further, we must discuss the proposed offer, and any offer in turn we would make, in advance with the Law Department before we have any further contact with the resource.

C. Our Company's Philosophy on Distribution of Merchandise
An important element of our Company's merchandising strategy is to carry distinctive and unique merchandise and, where possible, exclusive merchandise so as to distinguish its stores from those of its competitors and to attract knowledgeable customers. To that end, our Company believes the distribution of the merchandise carried in our stores should have as limited distribution as is reasonably possible. Merchandise distributed in retail channels other than our Company's primary retail channel will generally lose its distinctiveness and uniqueness and will not be as attractive to our Company or to its customers.

Our Company recognizes that vendors have the right to determine their own distribution strategies, and we will not interfere with those decisions. Our Company reserves the right independently and unilaterally to choose vendors to supply its stores based on the business strategy described in this policy statement.

D. Mandatory Rules
As a threshold matter, it is important to realize that even innocuous conversations can be construed as reflecting an agreement in restraint of trade between the participants in the discussion. Under the antitrust laws, proving
an agreement can be relatively easy. An unlawful agreement need not be in writing, nor need it be an express agreement. An agreement need not be explicit – it can be implied from subsequent behavior. Moreover, the state of mind of one of the participants in a discussion can be relevant – if we say “it is your decision,” a resource may perceive it differently and hear “our Company will cut you off.” Accordingly, the following general rules apply in all circumstances in respect of communications on resource distribution issues.

1. **We may not** discuss resource distribution policies or practices with another retailer. Even innocent discussions at meetings or on social occasions can be misconstrued and lead to allegations of a conspiracy.

2. **We may not** discuss a particular resource’s distribution with another resource. Such discussions could give rise to accusations that we are acting as a conduit for improper discussions between the resources. For example, this situation could arise where a brand has several different licensees for different lines.

3. **We may not** discuss another retailer with a resource. Discussions of competitors with resources could lead to allegations that our Company is advocating a boycott of those competitors.

4. Only designated Company personnel are to engage in discussions with resources on their distribution policies/practices. Our Company can more effectively ensure that the message that it communicates is consistent and comports with the Guidelines by imposing restrictions on the number of people who can interface with resources on this subject. The designated Company personnel is the GMM for the relevant family of business for each Macy’s, Bloomingdale’s and Bluemercy Organizations.

This rule does not apply to routine conversations between our Company and a resource in the ordinary course of business, such as a buyer level meeting with a resource representative to discuss product assortments, markdown allowances, advertising support and the like, entailing the resource’s articulation of its distribution policy in response to a question from us seeking only to know what that policy is. (But once that question is answered, no further discussion of distribution should occur.) Additionally, if the GMM for the relevant family of business does not have a relationship either with the resource or the appropriate contact at the resource in connection with a particular distribution issue with that resource, the GMM can delegate to a less senior merchandising executive the authority to reach-out to the resource on the distribution issue, provided that the delegate discusses the proposed contact with the resource in advance with the Law Department.

5. **We may not** enter into any discussion with a resource about its distribution practices without first talking with the Law Department. The Guiding Principles set out below provide general principles applicable to such discussions. Each situation, however, is fact specific and the facts need to be reviewed with the Law Department to apply the principles to the situation at hand.

6. **We must follow up** every conversation with a resource on the subject of distribution with a letter from us confirming the conversation. Because even entirely reasonable, honest people can have different interpretations of what happened in an oral conversation, it is critical that conversations on this subject be confirmed in writing. Moreover, a writing will flush out any disagreement with what occurred during the conversation and it is better to air those differences early on than to have them serve as the catalyst for an antitrust claim or investigation later. The Law Department will draft the letter after being notified that a conversation has occurred.

**E. Guiding Principles**

1. Communications with a resource that already sells product lines to the Company about expanded distribution
   a. We should not express any interest in or opposition to a resource’s current distribution practices with regard to existing product lines. See the discussion under E. (4), below, for the guidelines applicable to exclusive or limited exclusive arrangements for new product lines.
   b. We should affirmatively acknowledge that the resource has the right to sell to any retailer.
   c. We may discuss the possibility of exclusive distribution through our Company of a new product or brand, as long as such discussions are consistent with the guidelines below addressing exclusivity (see E. (4)).
d. We may ask a resource what its distribution policy is for the product line we are considering purchasing. Beyond obtaining such information, no other exchange on the distribution subject should occur.
   (i) Such questions would typically occur in a routine buyer-level conversation with a resource in the ordinary course of business, such as in a meeting to discuss product assortments, resource support and the like, entailing the resource's articulation of its distribution policy in response to a question from Macy's seeking only to know what that policy is.

e. We should not threaten to terminate or limit purchases if the resource does not change its distribution practices.
   (i) Our Company may independently determine whether to terminate or limit purchases if the resource does not change its strategy, but this decision must be made at a high level (not below the GMM level) after consultation with the Law Department.

2. Communications with a resource considering expanding distribution of its products – whether or not the resource has already contacted potential new customers – but when the resource's distribution decision has not yet been made
a. We can describe our Company's distribution philosophy. (See C. above)
b. We may not express any interest in or opposition to the resource's expanding its distribution.
c. We may discuss the possibility of exclusive distribution through our Company of a new product or brand, as long as such discussions are consistent with the guidelines below addressing exclusivity (see D. (4)).
d. We may ask a resource what its distribution policy is for the product line we are considering purchasing. Beyond obtaining such information, no other exchange on the distribution subject should occur.
   (i) Such questions would typically occur in a routine buyer-level conversation with a resource in the ordinary course of business, such as in a meeting to discuss product assortments, vendor support and the like, entailing the resource's articulation of its distribution policy in response to a question from us seeking only to know what that policy is.

e. We should not threaten to terminate or limit purchases if the resource does not change its distribution practices.
   (i) Our Company may independently determine whether to terminate or limit purchases if the resource does not change its strategy, but this decision must be made at a high level (not below the GMM level) after consultation with the Law Department.

f. We should affirmatively acknowledge that the resource has the right to sell to any retailer.

g. We should not ask which retailers the vendor is in discussions with.

h. We should not discuss specific retailers with the resource. If the resource inquires as to our reaction to expanding to a specific retailer or a specific channel of distribution by naming the retailer or channel, we must state that we do not discuss specific retailers or channels of distribution and the resource has the right to sell to any retailer or channel of distribution.

3. Communications with a new resource so the resource will know and understand our Company’s marketing and business strategy
a. Our Company has the right to establish its own policies as to which resource it will deal with and to announce these policies publicly.

b. Our Company should be sure to apply these policies consistently.

c. We may ask a new resource what its distribution policy/philosophy is, but we must be very careful not to express negative views about that policy/philosophy nor should we inquire as to which particular retailers the resource sells to.
d. We should not discuss specific retailers or channels of distribution with the resource. If the resource asks for our reaction to selling to a specific retailer or channel of distribution, we must state that we are interested in its distribution policy/philosophy only, that we do not discuss specific retailers or channels of distribution and that the resource has the right to sell to any retailer or channel of distribution.

4. Communications with an existing resource where we would like the resource to develop a new product or brand exclusively for us or our channel of distribution

a. These Guidelines apply to discussions about full exclusivity, limited exclusivity, co-branding, private labels, and similar undertakings.

b. The discussion should focus on the positive aspects of exclusivity.

c. We should not discuss the impact of the exclusivity on other retailers.

   (i) If the resource indicates that another retailer has expressed interest in the product in question, we may still ask for exclusivity on the product.

d. The discussion cannot include a suggestion that the resource’s distribution to other retailers should be discontinued.

e. We may discuss the scope of the exclusivity.

   (i) We may ask for exclusivity on the product, coloration of product, packaging, duration, fixturing and shops.

   (ii) Similarly, subject to the qualification noted below, we may ask for a lead time before the product is distributed or ask for all of the resource’s first round capability, the resource’s entire production or the resource’s first shipments from its warehouse.

   (iii) The question is whether such a lead time or such a commitment would cause significant competitive harm to other retailers. If competitors would fall so far behind that they could not market a competing product, these types of requests might be problematic, but ordinarily they should be legitimate. If we have any concern about this, we should consult the Law Department.

   (iv) We may ask for permission to run the first ads about a particular product (so we can say “only at Macy’s” or “only at Bloomingdale’s”) so long as the product is not available at other outlets. The ads must be run for a long enough period of time so that there is a defined period during which the “only at Macy’s” or “only at Bloomingdale’s” claim is accurate.

f. We may discuss pricing terms related to the exclusivity but still may not agree with the resource as to the retail price of the item and must always independently set the retail price.

g. We may seek terms to prevent a future devaluation of the exclusivity (e.g., prohibiting distributing a similar product, encouraging the resource not to knock off the product and sell to another retailer). If the exclusivity itself is legitimate, reasonable terms to protect that exclusivity are also legitimate.

h. Exclusivity or limited exclusivity deals must be put in writing. The Law Department will draft agreements.

i. As a general matter, our Company will be prepared to enforce exclusivity arrangements, unless the facts and circumstances of a particular situation suggest a different course as part of a business decision.

j. In all instances when any type of exclusivity is being discussed with a resource, the Law Department should be consulted given the fact-specific nature, and varying legal implications, of such arrangements.
VII. Negotiating the Lowest Lawful Prices and Allowances

We want you to compete vigorously and fairly, and we expect you to negotiate for the best prices, allowances, promotions and concessions that you can from our resources, including the best arrangements concerning terms, markdown allowances, advertising allowances, return privileges, display money and onsite demonstrations.

However, part of the antitrust laws (the part that prohibits “discriminatory” pricing) limits how we handle these negotiations. On the one hand, we can simply demand and receive a resource's best or lowest price – that is entirely legitimate and of no concern. On the other hand, we cannot knowingly demand and receive better terms than the resource offers a particular, identified competitor. The best practice is to negotiate without referring to the prices or terms that the resource offers to any particular competitor. If you have any question about whether a particular situation poses a risk under these rules, or if you believe there are circumstances (such as the magnitude of our purchases) warranting our receipt of better pricing or other terms from a resource than what the resource is offering our competition, you should consult with the Law Department immediately.

If a resource (or potential resource) tells you that it believes another resource is giving our Company “discriminatory” price, terms or allowances, you should report the “complaint” to the Law Department so we can take steps to assure that we have not knowingly induced or received discriminatory prices or allowances.

Finally, you should report any threat of price discrimination litigation against Macy’s to the Law Department immediately.
Macy’s, Inc. Retail Advertising Guidelines

These Retail Advertising Guidelines (the “Guidelines”) set minimum compliance standards. The Guidelines are not all-encompassing, nor do they cover all possible advertising issues.

Advertising is any method used to invite or encourage consumers to buy merchandise or services, including newspaper ads, catalogs, radio, television, the Internet, email, mobile marketing, sale letters and store signs. Price tags, tickets and drop tags may also be viewed as advertising. As a result, the standards set forth in the Guidelines apply to in-store advertising and signs (including price reductions that were not advertised in print or broadcast media), as well as to events that have been advertised in print, broadcast or other outside media. Advertisements must be truthful in all particulars, as well as in the general impression they convey. They must be considered in their entirety as they would be read and understood by the average customer. Not only what is said, but also what is not said in an advertisement is of importance.

These Guidelines, which may be amended from time to time, are supplemented by the Common Advertising Terminology (CAT). There are separate CATs for Macy’s and Bloomingdale’s because they use different terminology in some cases. Any proposed changes in CAT should be directed to the SVP of Marketing at Macy’s and VP of Marketing at Bloomingdales, as applicable.

These Guidelines contain the general rules applicable to the Macy’s and Bloomingdale’s retail operations. The retail operations must follow more stringent rules imposed under applicable state or local laws or orders, and they may, as a matter of policy, impose more stringent requirements on themselves. Any additional state or local legal requirements and modified policies that apply to a retail operation are set forth in Attachment A. Refer to your Macy’s or Bloomingdale’s Attachment “A,” as applicable, for those additional standards.

When the term “item” is used in the Guidelines, it refers to both merchandise and services. When the Guidelines talk about price comparisons, establishment or duration, the standards must be met for the same “item” or “service” (not a similar item).

Any questions regarding the Guidelines or CAT, the application of the Guidelines or CAT to particular or unique situations, or issues not specifically covered in the Guidelines or CAT should be directed to the Macy’s Law Department.

I. Availability Of Advertised Merchandise

A. Merchandise must be available for immediate purchase when a store opens on the date specified in the advertisement, or on the date the advertisement appears when no date is specified.

B. A representative assortment of merchandise must be available in sufficient quantities in all participating stores, unless otherwise noted in the advertisement, to meet reasonably anticipated customer demand for the time specified in the advertisement, or at least for the first three (3) days when no time period is specified. On websites, an accurate and substantiated shipping time must be provided for every item.

C. In determining “anticipated customer demand,” consider the following factors:

1. The customer demand generated at each store from the most recent advertisement of the merchandise, or, if not available, comparable product, adjusted for other pertinent factors that could affect demand (e.g., season, advertising, store changes);

2. The scarcity of the merchandise;

3. The price reduction of the merchandise, if any; and

4. Any other unusual features of the merchandise.

The Macy’s, Inc. Code of Conduct P. 53
D. Exceptions to merchandise availability requirement in ¶ I.B. above:

1. The requirement will not apply when quantities available are limited and this fact is clearly and conspicuously disclosed in the advertisement (e.g., “quantities limited,” “while supplies last,” “only x number per store,” “not available in xx store.”)

2. The requirement also will not apply when merchandise is not normally carried in stock and must be ordered, as is often the case with silver, crystal, china and many furniture items. However, this fact must be clearly and conspicuously disclosed in the advertisement (e.g., “Some patterns may not be available in store and will have to be ordered; shipping and handling fees will apply,” or similar wording). If a delivery or handling charge will apply, this fact also must be stated.

E. Location Limitations

1. Macy’s and Bloomingdale’s each have stores in numerous states. In some cases, advertising may be regional. Where that is the case, the ad should disclose the region it applies to (e.g., “this ad applies to East Coast Macy’s stores” or “wool coats not available in Florida stores”).

2. Advertising must include a clear disclosure on the back cover and every other page that merchandise and selection may vary by store, such as by stating:

   “Advertised merchandise may not be carried at your local [Macy’s or Bloomingdale’s, as applicable], and selection may vary by store.” or

   “Advertised items may not be available at your local [Macy’s or Bloomingdale’s, as applicable]”

3. If merchandise is not carried at all of the stores, where feasible and in cases of limited store distribution, advertising should specify the stores where an item is carried or the stores where it is not carried, such as by stating:

   “Furniture is not carried at xyz store(s).”

   “Not available in the Western States”

   “Available only in our Southern stores”

4. Unless otherwise specified, advertising refers to all stores, not including clearance centers, warehouses or distribution centers.

5. If advertised merchandise is only being offered for sale at the advertised price at a clearance center, this limitation must be prominently disclosed in advertising.

6. For national broadcast or direct mail, all stores must carry the advertised merchandise, and, if not carried in all markets, that fact must be disclosed. Alternatively, advertising may disclose that the merchandise is only carried in limited stores. Preferably, advertising should refer customers to the applicable website to find out which stores are carrying the merchandise.
II. Pricing Terms

A. General Rules

1. The use of the words “Sale,” “Special,” “Save,” “Reduced,” or words of similar meaning, represent that merchandise or services are offered at savings from the current, previous or future price.
   
   a. The term “promotional price” reduction refers to a temporary reduction from the regular price or an immediately preceding price of an item (e.g., temporary % off the regular price during a “sale” event or a temporary % off a permanently reduced price).
   
   b. Only use “Sale” when offering a price reduction for a limited period of time. This includes additional percentage off reductions from a permanently reduced price.
   
   c. No merchandise may be on “sale” for more than sixty (60) continuous days.
   
   d. Use “Save” to communicate a savings that will be achieved when making a comparison between the current offering price of merchandise and a higher offering price (e.g., a former, future, “if perfect” or “if purchased separately” price) or by purchasing multiple units. Note: the savings must be meaningful.
   
   e. The phrase “clearance” or “clearance sale” may be used to advertise permanently reduced merchandise that is not being reordered.

2. Minimum price reductions

   a. Promotional price reductions and permanent price reductions must be at least ten percent (10%) or $50.00, whichever is less.
   
   b. Use of a comparative price and/or percentage discount or amount in advertising is preferred as a general rule, and is mandated where required by state or local law. All comparative ads, however, must meet the above standard (i.e., 10% or $50 off).
   
   c. Where national advertising refers to prices and discounts, they must be consistent nationwide, or the price/discount at which an item is offered must be more favorable than the advertised price discount. Any exceptions must be disclosed.

3. Durational Rules

   Except for clearance or closeout merchandise, merchandise may not be on “sale” or offered at a reduced price using a price comparative, in advertising, in-store or on the Internet, for more than the periods of time set forth in Attachment B for Macy’s or Bloomingdale’s, respectively.

   The durational standards set forth in Attachment B are based on applicable law, in combination with state or store operation policy standards approved by the Chief Merchandising Officer of Macy’s and Bloomingdale’s.

   Any modifications or alternatives to the above standard necessary to meet competition or unique circumstances must be approved by the Chief Merchandising Officer after consultation with the Law Department.

4. Savings Claims Over 50%

   a. Price reduction Approvals

      No price comparison, reduction or savings claim of more than 50% may be used (excluding clearance or closeout merchandise) unless the designated senior executives have approved its use. Refer to Attachment B for applicable standards and processes for Macy’s and Bloomingdale’s.
5. Offering Prices
   a. If few or no sales were made at the higher comparative price (e.g., a “regular” or “original” price), special caution must be taken to assure that the “regular” price was, in fact, a good faith offer to sell the merchandise and was established consistent with the pricing of goods of that type. Also, when advertising an item at a reduced price, avoid any implication that the advertised “regular” or “original” price was a “selling” price, rather than an “offering” price.
   b. The following statement must appear conspicuously in all written advertisements in which a comparative price is referenced (including for clearance and closeout). In pre-print ads (e.g., direct mail or inserts), the legend must appear either on every other page or on the last page in bold and dominant print. In ROP ads, the legend should appear on every page, except on double truck ROP ads, where the legend may appear on one of the double truck pages. On the Internet, it should appear in the Pricing Policy, however, on product pages and emails, it may appear as a statement or through a descriptive link (e.g., “about our pricing”).

   REG & ORIG PRICES ARE OFFERING PRICES, AND SAVINGS MAY NOT BE BASED ON ACTUAL SALES.

B. Use of the Term “Regularly”

1. Definition
   “Regularly” is used when a temporary reduction is taken from the immediately preceding price for the item, and the item will return to that price following the sale event. Regularly may also be used in three-tier pricing when the price will revert to the regular price following the promotional events (See ¶ II. D).

2. Establishment of a “Regular” Price
   a. Initial Establishment
      i. Before offering an item at a reduced price with a comparison to its “regular” price, the item must have been sold in substantial numbers or have been openly and actively offered on the selling floor in all markets at the “regular” price for at least fourteen (14) days. The item then may be offered at a price reduction.
      ii. The initial 14 establishment period may be disregarded only for (a) a department or store-wide one or two day “sale” event occurring during the initial establishment period or (b) newly arriving goods when price changes and sale advertising are based on classification and a small percentage of new merchandise (e.g., 5%) is being brought onto the selling floor or offered on the Internet during an event. However, such “sale” days count in computing the promotional days permitted for each item under paragraph II.A.3.

3. Revised Retails
   a. If the “regular” price of an item is increased, the new higher price may not be used as a regular price comparative in media advertising until the item has been offered for sale at the higher price for at least 14 continuous days. Ads must continue to use the former lower comparative price until such time as the new higher “regular” price has been established. If a new higher price will be established after a sale event, advertising may, however, refer to the new higher retail price in advertising by referencing the price that will be in effect following the end of the sale event (e.g., “After Sale” for Macy and “Will Be” for Bloomingdale’s).
   b. Where the retail price of an item is lowered, only the new, lower “regular” price may be referenced as a “regular” price in advertising.
C. Use of the Term “Originally”

1. Definition

“Originally” designates that a permanent reduction has been taken from the former price of an item (e.g., from initial ticketed price) and that the price of the item will not return to that reference price.

2. Validity of “Original” Comparative Price

   a. Merchandise must have complied with (i) the establishment rules set forth in paragraph II B. 2.a above and (ii) have been sold in substantial numbers and/or met the durational rules in II. A. 3.

   b. If the “original” price is not the immediately preceding price, advertising must state: “Intermediate price reductions may have been taken.”

   c. Clearance and Closeout. Used with “original” price comparatives for permanent reductions when merchandise will not be re-ordered.

      i. In the case of limited quantities and where the goods will not be reordered, merchandise may be advertised as a clearance or closeout using an “original” price comparative until sold out or may be reduced further, provided that the merchandise met:

         a. The establishment rule in par. II. B.2.a;

         b. The applicable durational rule prior to the clearance or closeout in accordance with paragraph II.A.3; and the disclosures set forth in paragraph II.C.2.b-d, as applicable, are made.

      ii. If clearance or closeout merchandise has not been offered at the original price within the past 90 days, advertising preferably should disclose the date or time period the original price was in effect. If it is not possible to state the exact time period, advertising must state: “Some orig. prices not in effect during past 90 days.”

      iii. If clearance or closeout merchandise has not been offered at the original price within the past 180 days, reference may be made to the original price only if the specific date it was last in effect is disclosed on the product page (e.g., month/season).

   d. Use of “original” price quotes for permanent reductions when merchandise will still be re-ordered.

The durational rules in subparagraph II.A.3 continue to apply when merchandise that has been permanently reduced is still being re-ordered. Moreover, if merchandise is still being re-ordered, no reference may be made to an original price after 60 days following the last date the merchandise was offered at the original price.
D. Three Tier Pricing

1. Three tier pricing may be used when offering a temporary price reduction off of a “sale” or permanently reduced price.
   
a. Comparisons between a current “sale” price and a higher previous “sale” price.
      
i. If advertising compares a current “sale” price to both a higher off sale (e.g., “regular”) price and to a former promotional “sale” price, the former higher promotional “sale” price must either be:
         
         (a) the predominant promotional price at which the merchandise was offered on the selling floor prior to the event (e.g., for at least 50% of the time that the item has been offered at a reduced price) or (b) the immediately preceding “sale” price (i.e., it’s a “sale within a sale”). See CAT for additional information and examples.
      
      ii. If merchandise that is currently on “sale” is featured in a one-day sale (i.e., a sale within a sale), the price of the merchandise must be lowered for that event.

b. Comparisons between a current “sale” price and the “original” and “permanently reduced” price.
   
i. If advertising compares a current temporary price reduction during a sale event (e.g., “now” price) to the permanently reduced price and the former “original” price (e.g., 10% off clearance prices or “orig/was/now”), the merchandise must have met the establishment and durational rules and have been offered at the permanently reduced price for a reasonable amount of time. Also, the temporary price reduction off of the clearance price must be limited in duration.
   
   ii. Advertising should disclose the end date of the temporary discount, and, following the end date of the discount, the price should revert to the permanently reduced price.
   
   iii. Advertising should designate the time period when the former higher price was in effect for “original” quotes (e.g., “Some Orig prices not in effect during past 90 days”) and state that intermediate price reductions may have been taken.

2. See Macy’s or Bloomingdale’s Common Advertising Terminology (CAT), as applicable, for approved three-tier wording.

E. Use of the Term “After Sale” or “Will Be”

1. Introductory offers

   “After Sale” or “Will Be” may be used when an item:
   
a. Is being offered for a limited introductory sale period, which may not exceed thirty (30) days;
   
b. Is new to stock, and has not been previously offered for sale, or has been previously offered for sale at the “after sale” or “will be” price for less than fourteen (14) days immediately preceding the introductory price representation; and
   
c. Will be offered for sale at the “after sale” or “will be” price (i.e., “regular” price) immediately after the introductory offer and for at least as long as the introductory offer period or fourteen (14) consecutive days, whichever is greater.

2. For use of “After Sale” or “Will Be” for price increases – See ¶ II.B.3 and applicable CAT
F. Temporary Reductions and “Sale” ending dates

1. Advertisements featuring “sale” priced items should state an ending date. Shorter-term offerings should state the duration in the headline.

2. If items featured in a “sale” event have been on “sale” immediately before a short store-wide sale event, the ad should disclose that there is an ongoing sale (e.g., by stating “sale in progress” or “ongoing now”).

3. If items featured in a “sale” ad will remain on sale immediately after that event, the ad must disclose the correct sale ending date for that item.

4. Sale prices and other temporary price reductions must end on the advertised sale ending date. It is not permissible to have back-to-back “sales” of the identical item.

5. Advertising should not include a sale ending date for: (a) permanently marked down merchandise, such as clearance or closeout items or perms with re-orders, or (b) non-sale merchandise (e.g., special purchase, if perfect, EDV, if purchased separately).

6. Exceptions:

   The sale ending date rules may be disregarded after advertising containing a “regular” price comparative has been finalized only under the following limited circumstances:

   a. Where merchandise has been permanently reduced for clearance following finalization of pre-print advertising, in conformance with company policy to permanently reduce slow moving merchandise (e.g., the Macy 20/20 policy and formula), provided that advertising in which the item was featured included the following generic disclosure:

      “Some reg/sale items may have been permanently reduced for clearance after this book was finalized.”

   b. Where a sale is extended due to unforeseen events outside of the company’s control (e.g., blizzard, hurricane, citywide electrical outages) and written approval for the extension has been obtained from the Chief Merchandising Officer.

7. Temporary Reductions Off of Permanently Reduced Prices

   Offers to take an additional percentage off of a clearance, closeout or permanently reduced price should disclose the ending date of the additional reduction offer and be reasonably limited in duration.

G. “Everyday Value” or “Always” Price

1. The term “Everyday Value” or “Always” means no comparative prices or phrases may be used.

2. Such merchandise price must represent a legitimate value based upon pertinent factors (e.g., mark-up, competitors’ prices in the trade area, regular pricing of comparable merchandise, quality).

3. No price reductions are permitted (except clearance) for merchandise that has been advertised or promoted as being at “Everyday Value” or “Always” price.

4. Any changes affecting an EDV price (e.g., changes from an EDV to a promotional price or increases or reductions in EDV priced merchandise) require prior approvals and a minimum 30 day establishment period. See CAT for details, including requirements for submitting proposed changes to the EDV gatekeeper.
III. Miscellaneous-Price Related

A. Percentage/Dollar Savings

1. When price or percentage savings claims are made, the range of savings must be disclosed (e.g., “Save 10% to 50%;” “Save $10 to $50”).

2. For percentage off savings, at least 10% of total stock offered must be at the high end and a representative number at various points between the high and low. No item may be offered at less than the lowest discount percentage stated.

3. “Up to” savings claims are not permitted. Any limited exceptions must be reviewed with the Law Department.

4. Where advertising includes the price points of merchandise within the advertised percentage off or dollar off range (e.g., reg. $20 to $100; sale $16 to $75), at least 10% of the total stock must be at both the lowest and highest price points with representative amounts in-between.

5. Ads must disclose the basis of savings (e.g., savings are a reduction from a former price or represent a comparison to an “if purchased separately” price). The word “off” may be used only with properly established quote phrase/price; it must never be used alone.

6. Ads must clearly disclose how savings will be computed if not being deducted off of the comparative price (e.g., “30% off regular price, plus an extra 10% off the sale price” or “an extra 10% off the already reduced price”).

B. “Bonus” or “Free” Gift Offers

1. The terms “bonus” or “free” may be used in advertisements only if:
   a. The item may be obtained either (i) without any cost or obligation or (ii) in conjunction with the purchase of another item and such conditional terms are clearly and conspicuously disclosed; and
   b. Any mailing or handling costs to obtain the free item are not more than the actual reasonable mailing/handling costs and any such costs are clearly and conspicuously disclosed

2. In addition, the word “Free” may be used for designated merchandise only as permitted in CAT.

3. The price of the merchandise that is required to be purchased must be the regular, non-inflated selling price of that article, and the “free” or “bonus” offering must be temporary (i.e., may not be offered for more than 60% of the time or such alternative durational percentage applicable to the merchandise under Par. II.A.3).

4. A valuation price, such as “$ Value” for a “free” item, “gift” or “bonus” may be used only when:
   a. The identical item was openly and actively offered for sale by the retail operation or its affiliated nameplate (e.g., Macy’s could rely on macys.com) at the valuation price for at least fourteen (14) days immediately prior to the event; or
   b. A comparable item from the same vendor was openly and actively offered for sale by the retail operation at or above the valuation price for at least fourteen (14) days immediately prior to the event; or
   c. The identical or comparable item is being offered for sale in the trading area, and the valuation price is a conservative price, which has been substantiated, through acceptable documentation (e.g., surveys), as being at or below the trading area price.

5. Comparable merchandise means merchandise which is of like grade and quality in all material respects (e.g., fabric, design and workmanship).
6. In the case of cosmetic “gift with purchase” promotions where the gift item(s) are packaged in a quantity not previously offered for sale, a valuation price may be used when the item(s)’ per ounce price can be determined based upon the price of identical merchandise offered for sale on a different quantity basis (e.g., .45 oz. Creme offered as gift item, usually offered in 7 oz. size for $30.00; gift equivalent value is $1.92);

C. Two for One Price Claims

1. No statement or representation of an offer to sell two articles for the price of one, or any similar phrase, may be used unless the sale price for the two articles is the store operation’s own regular price for the single article.

2. A “two for one” or “buy one get one free” event offered by a retail operation constitutes a promotional price for purposes of the durational rules in paragraph II.A.3 above, including offers initiated by manufacturers on a nationwide basis.

3. Manufacturer’s rebates or “bonus” offers being offered nationally, with redemption solely through the manufacturer, will not be counted as a promotional period under the durational rules, provided that the retail operation is not taking any markdowns in respect of that promotion.

D. ½ Price Claims

1. No statement or representation of an offer to sell an article at a savings through claims such as “1/2 Price” or “50% Off” or expressions of similar import may be used when the offer is conditioned upon the purchase of additional merchandise.

2. A statement or representation that the purchase of one item is required to purchase another item at a reduced price may be used when this condition is clearly and conspicuously incorporated into the offer (e.g., “Buy One, Get Another at 50% off Regular Price”).

E. Lowest Price Claims Relating to a Retail Operation’s Former Prices

1. A comparison may be used to describe the lowest price of a calendar season provided it is and will be the lowest price of that season and is used only one time per season.

2. A disclaimer should be included in such ads to identify the applicable season and explain that prices may be lowered as part of a clearance.

3. See CAT for details.

F. Descriptions of Price

1. Complete Purchase Price

   Ads must disclose the complete and unconditional purchase price. Thus, for example, if king size bedding is sold only in sets, the ad must disclose the set, rather than individual unit, price and also disclose the number of units that must be purchased.

2. Disclosure of Any Additional Charges or Elements
   a. Additional charges include, but are not limited to:
      • Delivery or handling charges
      • Assembly charges
      • Restocking fees
      • Installation charges
      • Mail/phone order charges

   b. If merchandise must be delivered, the ad must clearly and conspicuously disclose that fact (e.g., “Store dock pick-ups may not be available in your area.”), as well as that there is a fee. Where feasible, provide the actual delivery charge or an approximation of the usual delivery charge. (e.g., “Delivery fee approximately $25 in normal delivery areas.”).
c. Any additional services or items required to be purchased for the proper use and performance of the merchandise also must be clearly and conspicuously disclosed. Such services or items include, but are not limited to:
   - Adapters
   - Racks
   - Batteries or bulbs
   - Carts or cabinets
   - Accessories
   - Assembly required
   - Installation Kit
   - Required service contract or carrier fees

d. Optional services or items may be incorporated in the advertisement, but the advertisement must disclose that they are “Optional” and at an additional cost. Examples are:
   - Accessories or blades for food processors
   - Extended service contract for furniture
   - Gold filter for coffee maker

G. Price Matching Claims

1. Claims offering to meet any competitor’s lower price (e.g., “We will not be undersold; we will meet (or beat) our competitors’ prices”) must disclose all material terms and conditions of that offer, including, for example:
   a. Any time limits, such as the date the offer will expire, if applicable, and whether a consumer who purchased an item at the retail operation may take advantage of the offer by receiving a price adjustment within a limited period following such purchase (e.g., “We will match any competitor’s price within 60 days of your purchase”);
   b. What the consumer must do to secure the price adjustment, such as bring in the competitor’s ad or any other proof of a lower price;
   c. Any geographic or store limitations;
   d. The specified products and/or types of stores to which the price matching pledge will apply (e.g., “only identical products or products with comparable specifications” or “only full line department stores”) or whether certain types of products or models or competitors will be exempted from the offer.

2. If no terms or conditions are disclosed, this will be considered an “unconditional” price matching claim.

3. Price matching claims should not represent or guarantee that the retail operation’s prices are the lowest or are lower than competitors’ prices.

4. New price matching claims must be reviewed by the Law Department

H. Comparisons to Competitors’ Prices

Comparing a retail operation’s prices to the prices of its competitors, including lowest price guarantees, is not permitted. Any exceptions must have the written approval of the Chief Merchandising Officer. Any such claims must be supported by competitive surveys per guidelines provided by the Law Department.

I. “List Price” or “Manufacturer’s Suggested Retail Price”

“List price,” “manufacturers suggested retail price,” and similar terms may not be used as a comparative price.
J. **Group Offerings**

1. All items listed or pictured under a “sale” banner or “sale” front page in a catalogue must be “sale” items.

   Where “regular” and “value type” (e.g., “EDV,” “special purchase,” “If purchased separately”) priced merchandise and “sale” priced merchandise will appear in an ad or catalogue, the headline or cover should not state “sale” unless:

   a. The items not reduced are clearly set off and identified; and

   b. The “sale” headline or representation indicates that not all items are reduced (e.g., by stating “Sale and other values” or “Sale and other regular and value priced merchandise”).

2. Applicable Merchandise

   a. When the merchandise being offered cannot be specified with precision because a “sale” or price reduction includes a large selection but not all of the merchandise in a classification or line, limiting terms such as the following must be used:

      “Selected”
      “Not all Styles”
      “Many”
      “Assorted”

   b. Such terms may be used only if a “meaningful percentage” (defined as at least 20%) of such merchandise is being offered on the terms advertised.

### IV. Miscellaneous – Merchandise

#### A. Description of Merchandise or Services – Limitations and Condition

1. **New/Defect Free**

   Unless otherwise indicated, all advertised merchandise must be “new” and not used, second-hand, renovated, remodeled, rebuilt or reconditioned. Merchandise that is not “new” must be advertised with conspicuous disclosure of the condition of the merchandise (e.g., “Reconditioned”).

2. Any unusual characteristics or quality limitations of the merchandise must be clearly disclosed in the ad. Such limitations include but are not limited to:
   - Used or reconditioned merchandise
   - Discontinued floor samples or one-of-a-kind merchandise
   - Irregular, seconds, mismatched, soiled and/or damaged merchandise

3. **“As Is” Merchandise**

   a. The term “As Is” indicates the terms of sale (e.g., final sale even if damaged), not the condition of the goods. The term “As Is” must be accompanied, as applicable, by a description of the merchandise’s condition or status (e.g., damaged, floor sample, irregulars, imperfect, seconds, used, reconditioned or rebuilt).

   b. If merchandise is offered for sale or tagged on the selling floor “As Is,” advertisements must disclose the terms of sale by conspicuously identifying the merchandise “As Is,” along with the condition, as above.

   c. See CAT for disclaimer details.
B. Qualifying Phrases Pertaining to Jewelry

The following types of disclosures should be made in respect to jewelry, as applicable:

1. Carat weight: Ads must either describe carat weight in decimals with the exact or minimum weight or state “All carat weights (ct. t.w.) are approximate. Variance may be .05 carat.”

2. Gemstone treatments for Macy’s: “Almost all gemstones have been treated to enhance their beauty and require special care, please log on to macy’s.com/gemstones or ask your sales professional.” For Bloomingdale's: “Almost all gemstones are treated and require special care. Please ask your sales associate for details.”

3. Photos: “Photos may be enlarged or enhanced to show detail”

V. Credit Advertising

All advertising referencing credit terms (including deferred billing offers) must be approved by the MCCS legal team.

VI. Advertising Substantiation

All factual claims must be supported by adequate substantiation appropriate to the merchandise and type of claim. This includes, for example, former, current or future prices used in comparatives, along with savings, performance, efficacy, health, safety, environmental, fiber content and country of origin claims and representations concerning delivery dates for mail and phone orders.
Attachment A
Macy’s Specific State Law Requirements or Modified Policies

None at this time.
Attachment A
Bloomingdale's Specific State Law Requirements or Modified Policies

None at this time.
Attachment B
Macy’s Modifications to Durational Standards

Macy’s bases its promotional calendar on the 69/31 standard and further follows that standard in those states where required by law. The following states effectively impose a 69/31 standard: CT, MA, NJ, WI and RI (gemstones and precious metal only).

Subject to approval from the Chief Merchandising Officer, Macy’s may offer items at a promotional price up to 75% of the time in fashion-driven FOBs and Soft Home, and up to 70% in Furniture/Mattresses/Rugs and Silver Jewelry in other states.

Fine Jewelry may be offered at a promotional price up to 65% of the time, except in Georgia, where it will remain on 50/50 calendar. Bridge/Fine Jewelry will follow the 69/31 standard.

In Georgia, given an Assurance of Discontinuance, Mattresses and Fine Jewelry must remain on a 50/50 calendar.

All discounts above 50% (excluding clearance and closeout) must be approved by the Chief Merchandising Officer, Chief Marketing Officer and/or EVP Marketing Operations. This is generally done as part of style-out or final review. Approval of ads in that context constitutes approval of the over 50% discounts contained in those ads.
Attachment B
Bloomingdale's Modifications to Durational Standards

Bloomingdale’s bases its promotional calendar on the following on-sale/off-sale standards:

   Fine Jewelry: 55/45
   Furniture and Mattresses: 60/40
   All other families of business: 65/35

For store marketing, all discounts above 50% (excluding clearance and closeout) must be approved by both the responsible GMM and Senior Vice President, Marketing.

For online marketing, all discounts above 50% in all families of business (excluding Home) are approved by the SVP, GMM of BCOM. This is done as part of his regular electronic approval of pricing lists each season. Those pricing lists are archived by the price team. The online Home pricing is provided by the Store team and would be approved under the store marketing process reflected above.
Product Safety Policy and Procedure

This is a summary of product safety policies and procedures for complaints about unsafe products reported at our stores.

Customer complaints about products are generally handled by either (1) Risk Management or (2) the Stores and/or Macy’s Credit and Customer Service (MCCS). How complaints are handled depends on whether the complaint involves safety. As a general matter, (1) Risk Management handles safety complaints involving bodily injury or damage to personal property, and (2) the stores and MCCS handle all other product complaints or inquiries (e.g., routine returns, quality issues, questions about the product).

The Law

Section 15 of the Consumer Product Safety Act requires that a company report to the U.S. Consumer Product Safety Commission (CPSC) a product that (1) fails to comply with a consumer product safety rule, (2) contains a defect that could create a substantial product hazard, and/or (3) creates an unreasonable risk of serious injury.

Processing Product Safety Complaints At The Stores

When a customer (1) reports a product safety incident as defined above or (2) complains that a product allegedly caused or could cause bodily injury or personal property damage, the sales associate must immediately contact and/or escort the customer to a store manager or the designated Store Executive/Duty Executive. Complaints received through the Company’s internet retail sales sites should be referred to the Internet Customer Service team at MCCS.

The designated Store Executive/Duty Executive will handle the complaint by:

- Obtaining and retaining the product in a secured location until the complaint has been resolved. The Security Manager may be required to secure the item.

- Filling out a Product Safety Incident Report and emailing the report to General.Liability.RiskMgt@macy.com or faxing the report to 866-908-2396.

  - For Bloomingdale’s – go to the PNP (Policies and Procedures) tab under the Safety section of the Asset Protection Portal for more information: http://mybloomingdales.net/sites/AP/safety.

  - For Macy’s – go to the Risk Management section of the MyMacy’s Portal for more information: http://mymacy.net/sites/stores/support/risk-management/GeneralLiability/Forms/AllItems.aspx

NOTE: If the product is Macy’s Private Label Merchandise such as Hudson Park or I.N.C. International Concepts, etc., email a copy of the Product Safety Incident Report to the MMG Product Integrity Team at productssafety@macy.com. Copies of a claim concerning Bloomingdale’s Private Label, such as Aqua, should be emailed to Bloomingdale’s Risk Management at BlmProductSafety@bloomingdales.com.

- If the customer wishes to return the product, the designated Store Executive/Duty Executive must handle the return transaction. The Sales Associate will NOT process the return.

Processing All Other Product Complaints NOT Involving Safety

The Sales Associate should follow the Company organizational procedures for handling general customer complaints involving non-safety related issues such as routine returns, quality, or product information. Such complaints are handled at the store, by the designated store executives, or referred to the designated Customer Service team at MCCS.