

Macy's, Inc.
Form DEFR14A
April 03, 2009
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Macy's, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if Other than the Registrant)

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1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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EXPLANATORY NOTE

The Registrant's definitive proxy statement filed with the Securities and Exchange Commission on April 1, 2009 is amended to correct certain typographical errors, which incorrectly referred to the shareholder proposal regarding simple majority vote as Proposal 3, when in fact, this shareholder proposal was Proposal 4. These references are on pages 39 and 40. These typographical errors do not appear in printed versions of the definitive proxy statement.

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MACY S, INC.

7 West Seventh Street Cincinnati, Ohio 45202

and

151 West 34th Street New York, New York 10001

April 1, 2009

To the Shareholders:

It is my privilege to invite you to attend Macy's 2009 annual meeting of shareholders. We are holding the annual meeting on Friday, May 15, 2009, at 11:00 a.m., Eastern Daylight Savings Time, at Macy's offices located at 7 West Seventh Street, Cincinnati, Ohio 45202. We are enclosing the official notice of meeting, proxy statement and form of proxy with this letter. The matters listed in the notice of meeting are described in the attached proxy statement.

Your vote is important and we want your shares to be represented at the meeting. Accordingly, we encourage you to read the proxy statement and cast your vote promptly by following the instructions on the enclosed proxy card.

We appreciate your continued confidence in and support of Macy's, Inc.

Sincerely,

TERRY J. LUNDGREN

Chairman of the Board, President

and Chief Executive Officer

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING,
PLEASE CAST YOUR VOTE PROMPTLY
BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD.**

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MACY S, INC.

7 West Seventh Street, Cincinnati, Ohio 45202

and

151 West 34th Street, New York, New York 10001

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

and

Important Notice Regarding the Availability of Proxy Materials

For the Shareholder Meeting to be Held on May 15, 2009

To the Shareholders:

Macy's hereby gives notice that the annual meeting of its shareholders will be held at 11:00 a.m., Eastern Daylight Savings Time, on Friday, May 15, 2009, at Macy's offices located at 7 West Seventh Street, Cincinnati, Ohio 45202. The items on the agenda for the annual meeting are:

1. To elect eleven members of Macy's board of directors;
2. To ratify the appointment of KPMG LLP as Macy's independent registered public accounting firm for the fiscal year ending January 30, 2010;
3. To approve the Macy's, Inc. 2009 Omnibus Incentive Compensation Plan
4. To consider a shareholder proposal regarding simple majority vote, if properly presented at the meeting;
5. To consider a shareholder proposal regarding retention of equity compensation, if properly presented at the meeting; and

6. To act upon such other business as may properly come before the annual meeting or any postponements or adjournments thereof. We recommend that you vote For the election of each director nominee, For items 2 and 3, and Against items 4 and 5. Each of these matters is more fully described in the attached proxy statement. The proxy statement and our annual report on Form 10-K are also available for your review at: www.proxyvote.com and www.macysinc.com/shareholders.

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The Board of Directors has fixed March 20, 2009 as the record date for the determination of shareholders entitled to vote at the annual meeting or any postponements or adjournments of the annual meeting.

DENNIS J. BRODERICK

Secretary

April 1, 2009

YOU MAY VOTE IN PERSON AT THE ANNUAL MEETING OR BY PROXY. MACY'S RECOMMENDS THAT YOU VOTE BY PROXY EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING. PLEASE VOTE BY FOLLOWING THE INSTRUCTIONS ON THE ENCLOSED PROXY CARD. YOU MAY VOTE BY MAIL, BY TELEPHONE OR OVER THE INTERNET. IF YOU CHOOSE TO VOTE BY MAIL, PLEASE COMPLETE THE PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE. IF YOUR SHARES ARE HELD IN STREET NAME BY A BROKER, BANK OR OTHER NOMINEE, AND YOU DECIDE TO ATTEND AND VOTE YOUR SHARES AT THE ANNUAL MEETING, YOU MUST FIRST OBTAIN A SIGNED AND PROPERLY EXECUTED PROXY FROM YOUR BANK, BROKER OR OTHER NOMINEE TO VOTE YOUR SHARES HELD IN STREET NAME AT THE ANNUAL MEETING.

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MACY S, INC.

7 West Seventh Street, Cincinnati, Ohio 45202

and

151 West 34th Street, New York, New York 10001

PROXY STATEMENT

Macy's board of directors (the Board) is furnishing this proxy statement in connection with its solicitation of proxies for use at the annual meeting of Macy's shareholders. The annual meeting will be held at 11:00 a.m., Eastern Daylight Savings Time, on Friday, May 15, 2009, at Macy's offices located at 7 West Seventh Street, Cincinnati, Ohio 45202. The proxies received will be used at the annual meeting and at any postponement or adjournment of the annual meeting for the purposes set forth in the accompanying notice of meeting. We will begin mailing the proxy statement, the notice of meeting and accompanying proxy on April 13, 2009.

Except where the context requires otherwise, the term Macy's includes Macy's, Inc. and its subsidiaries. Share and per share amounts in this proxy statement are adjusted to reflect a two-for-one stock split effected as a stock dividend on June 9, 2006.

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GENERAL

The record date for the annual meeting is March 20, 2009. If you were a holder of record of shares of Macy's common stock at the close of business on the record date you are entitled to vote those shares at the annual meeting. You are entitled to one vote for each share of common stock you owned on each of the matters listed in the notice of meeting. As of the record date, 421,869,213 shares of common stock were outstanding. This number excludes shares held in the treasury of Macy's.

The Board has adopted a policy under which all voting materials that identify the votes of specific shareholders will be kept confidential and will not be disclosed to Macy's officers, directors or employees or to third parties except as described below. Voting materials may be disclosed in any of the following circumstances:

if required by applicable law;

to persons engaged in the receipt, counting, tabulation or solicitation of proxies who have agreed to maintain shareholder confidentiality as provided in the policy;

in those instances in which shareholders write comments on their proxy cards or otherwise consent to the disclosure of their vote to Macy's management;

in the event of a proxy contest or a solicitation of proxies in opposition to the voting recommendations of the Board;

in respect of a shareholder proposal that Macy's Nominating and Corporate Governance Committee of the Board, referred to as the NCG Committee, after having allowed the proponent of the proposal an opportunity to present its views, determines is not in the best interests of Macy's and its shareholders; and

in the event that representatives of Macy's determine in good faith that a bona fide dispute exists as to the authenticity or tabulation of voting materials.

The policy described above will apply to the annual meeting.

A quorum of shareholders is necessary to hold a valid annual meeting. The holders of a majority of the stock issued and outstanding and entitled to vote at the annual meeting, present in person or represented by proxy, will constitute a quorum at the annual meeting for the transaction of business at the meeting. Macy's will treat all shares of Macy's common stock represented at the meeting, including abstentions and broker non-votes, as shares that are present and entitled to vote for purposes of determining the presence of a quorum. With respect to all matters other than Item 3, Macy's will treat abstentions and broker non-votes as shares not voted for purposes of determining whether the requisite vote on a matter has been obtained. In order to obtain approval of any such matter, the affirmative vote of the holders of a majority (or, in the case of the election of any nominee as a director, a plurality) of the shares of common stock represented at the annual meeting and actually voted is required. Consequently, abstentions and broker non-votes will have no effect on the outcome of the vote on any such matter. In order to obtain approval of the matter described under Item 3, the affirmative vote of a majority of the outstanding shares entitled to vote at the meeting is required and, with respect to such matter, abstentions and broker non-votes will have the effect of votes against such matter. If

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the persons present or represented by proxy at the annual meeting constitute the holders of less than a majority of the outstanding shares of common stock as of the record date, the annual meeting may be adjourned to a subsequent date for the purpose of obtaining a quorum. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the meeting, but with respect to which the beneficial owner of such shares has not instructed the broker, bank or nominee on how to vote on a particular proposal, and with respect to which the broker, bank or nominee does not have discretionary voting power on such proposal.

All shares of common stock represented at the annual meeting by proxies properly submitted prior to or at the annual meeting will be voted at the annual meeting in accordance with the instructions on the proxies, unless such proxies previously have been revoked. If no instructions are indicated, such shares will be voted:

FOR the director nominees identified below;

FOR the ratification of the appointment of Macy's independent registered public accounting firm;

FOR the proposal to approve the Macy's, Inc. 2009 Omnibus Incentive Compensation Plan;

AGAINST the shareholder proposal regarding simple majority vote; and

AGAINST the shareholder proposal regarding retention of equity compensation.

You may vote in person at the annual meeting or by proxy. Macy's recommends that you vote by proxy even if you plan to attend the annual meeting. You have three options for voting by proxy:

Internet: You can vote over the Internet at the Web address shown on your proxy card. Internet voting is available 24 hours a day, seven days a week. When you vote over the Internet, you should not return your proxy card.

Telephone: You can vote by telephone by calling the toll-free number on your proxy card. Telephone voting is available 24 hours a day, seven days a week. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. When you vote by telephone, you should not return your proxy card.

Mail: You can vote by mail by simply signing, dating and mailing your proxy card in the postage-paid envelope included with this proxy statement.

A number of banks and brokerage firms participate in a program that also permits shareholders whose shares are held in street name to direct their vote over the Internet or by telephone. If your bank or brokerage firm gives you this opportunity, the voting instructions from the bank or brokerage firm that accompany this proxy statement will tell you how to use the Internet or telephone to direct the vote of shares held in your account. The Internet and telephone proxy procedures are designed to authenticate your identity, to allow you to give your proxy voting instructions and to confirm that those instructions have been properly recorded. Votes directed over the Internet or by telephone through such a program must be received by 5:00 p.m., Eastern Daylight Savings Time, on Thursday, May 14, 2009. Requesting a proxy prior to the deadline described above will automatically cancel any voting directions you have previously given over the Internet or by telephone with respect to your shares. Directing the voting of your shares will not affect your right to vote in person if you decide to attend the annual meeting; however, you must first obtain a signed and properly executed proxy from your bank, broker or other nominee to vote your shares held in street name at the annual meeting.

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If you participate in Macy's Profit Sharing 401(k) Investment Plan you will receive a voting instruction card for the Macy's common stock allocated to your account in the plan. You may instruct the plan trustee on how to vote your proportional interest in any Macy's shares held by the plan by signing, dating and mailing the enclosed voting instruction card, or by submitting your voting instructions by telephone or over the Internet. The plan trustee will vote your proportional interest in accordance with your instructions and the terms of the plan. If you fail to vote, the trustee for the plan, subject to its fiduciary obligations under ERISA, will vote your proportional interest in the same proportion as it votes the proportional interests for which it receives instructions from other plan participants. Under the terms of the plan, the trustee must receive voting instructions from plan participants by 5:00 p.m., Eastern Daylight Savings Time, on Wednesday, May 13, 2009.

You may revoke your proxy at any time by:

submitting evidence of your revocation to the Corporate Secretary of Macy's;

voting again over the Internet or by telephone;

signing another proxy card bearing a later date and mailing it so that it is received prior to the annual meeting; or

voting in person at the annual meeting, although attendance at the annual meeting will not, in itself, revoke a proxy.

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Certain Beneficial Owners. The following table sets forth information as to the beneficial ownership of each person known to Macy's to own more than 5% of Macy's outstanding common stock as of December 31, 2008.

Name and Address	Date of Most Recent Schedule 13G Filing	Number of Shares	Percent of Class
AXA Financial, Inc. (AXA Financial) 1290 Avenue of the Americas New York, NY 10104(1)	February 13, 2009	58,484,219	13.9%
Dodge & Cox 555 California Street, 40th Floor San Francisco, CA 94101(2)	February 11, 2009	23,018,524	5.5%
UBS AG Bahnhofstrasse 45 P.O. Box CH-8021 Zurich, Switzerland(3)	February 10, 2009	24,272,210	5.8%

- (1) Based on a Schedule 13G filed with the Securities and Exchange Commission, referred to as the SEC, by: AXA Financial; AXA, which owns AXA Financial; and AXA Assurances I.A.R.D. Mutuelle (IARD) and AXA Assurances Vie Mutuelle (Vie) (collectively with IARD, the Mutuelles AXA), as members of a group which controls AXA. The address of the Mutuelles AXA is 26, rue Drouot, 75009 Paris, France. The address of AXA is 25, avenue Matignon, 75008 Paris, France. The Schedule 13G reports the ownership as follows:

	Deemed to have Sole Power to Vote or to Direct the Vote	Deemed to have Shared Power to Vote or to Direct the Vote	Deemed to have Sole Power to Dispose or to Direct the Disposition	Deemed to have Shared Power to Dispose or to Direct the Disposition
The Mutuelles AXA, as a group	0	0	0	0
AXA	0	0	0	0
AXA Entity or Entities:				
AXA Investment Managers Paris (France)	9,185	0	9,185	0

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AXA Rosenberg Investment Management LLC	4,400	0	4,400	0
AXA Financial, Inc.	0	0	0	0
Subsidiaries of AXA Financial:				
AllianceBernstein	46,777,454	0	57,835,198	0
AXA Equitable Life Insurance	20,936		635,436	0
	46,811,975	0	58,484,219	0

- (2) According to a Schedule 13G filed with the SEC by Dodge & Cox, this reflects the Macy's common stock beneficially owned by clients of Dodge & Cox, which clients may include investment companies registered under the Investment Company Act and/or employee benefit plans, pension funds, endowment funds or other institutional clients.

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(3) According to a Schedule 13G filed with the SEC by UBS AG, this reflects the Macy's common stock beneficially owned by the UBS Global Asset Management division of UBS AG and its subsidiaries and affiliates on behalf of its clients, and does not reflect Macy's common stock, if any, owned by any other division of UBS AG.

Stock Ownership of Directors and Executive Officers. The following table sets forth the shares of common stock beneficially owned (or deemed to be beneficially owned pursuant to the rules of the SEC), as of March 20, 2009 by each Macy's director who is not an employee of Macy's, referred to as a Non-Employee Director, by each executive named on the 2008 Summary Compensation Table, referred to as a Named Executive, and by Macy's directors and executive officers as a group. The business address of each of the individuals named in the table is 7 West Seventh Street, Cincinnati, Ohio 45202.

Name	Number of Shares		Percent of Class
	(1)	(2)	
Stephen F. Bollenbach	8,750	3,750	less than 1%
Deirdre P. Connelly	2,500	2,500	less than 1%
Meyer Feldberg	91,666	76,500	less than 1%
Sara Levinson	79,622	76,500	less than 1%
Joseph Neubauer	141,540	76,500	less than 1%
Joseph A. Pichler	85,300	76,500	less than 1%
Joyce M. Roché	16,992	15,000	less than 1%
Karl M. von der Heyden	96,344	76,500	less than 1%
Craig E. Weatherup	82,500	76,500	less than 1%
Marna C. Whittington	101,626	76,500	less than 1%
Terry J. Lundgren	3,208,153	3,008,806	less than 1%
Karen M. Hoguet	680,082	586,317	less than 1%
Thomas L. Cole	543,102	463,759	less than 1%
Janet E. Grove	588,130	530,177	less than 1%
Susan D. Kronick	724,619	639,561	less than 1%
All directors and executive officers as a group (26 persons)	8,255,381	7,095,583	1.96%

(1) Aggregate number of shares of common stock currently held or which may be acquired within 60 days after March 20, 2009 through the exercise of options granted under Macy's 1995 Executive Equity Incentive Plan, referred to as the 1995 Equity Plan. Includes 17,314 shares pledged by Dr. Whittington as security in a brokerage firm customary margin account.

(2) Number of shares of common stock which may be acquired within 60 days after March 20, 2009 through the exercise of options granted under the 1995 Equity Plan.

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Securities Authorized for Issuance Under Equity Compensation Plans. The following table presents certain aggregate information, as of January 31, 2009, with respect to the 1995 Equity Plan and Macy's 1994 Stock Incentive Plan, referred to as the 1994 Stock Plan (included on the line captioned "Equity compensation plans approved by security holders").

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	38,794,466	28.64	20,875,527
Equity compensation plans not approved by security holders	0	0	0
Total	38,794,466	28.64	20,875,527

As of January 31, 2009, 482,864 shares of restricted stock were outstanding and subject to possible forfeiture, and 3,611,136 shares of common stock were available for future issuance as restricted stock or restricted stock units under the 1995 Equity Plan and the 1994 Stock Plan. The shares remaining available for future issuance as restricted stock or restricted stock units are included in the totals reflected in column (c). Under the 1995 Equity Plan and the 1994 Stock Plan, if these shares are not issued as restricted stock they may be made subject to grants of stock options.

The foregoing table does not reflect stock credits issued under Macy's Executive Deferred Compensation Plan, the Director Deferred Compensation Plan, and the Associated Dry Goods Corporation Executives Deferred Compensation Plan (assumed by Macy's in connection with its acquisition of May). The Executive Deferred Compensation Plan and the Associated Dry Goods Corporation Executives Deferred Compensation Plan have not been approved by Macy's shareholders. Pursuant to the Executive Deferred Compensation Plan, eligible executives may elect to receive a portion of their cash compensation in the form of stock credits. For a discussion of stock credits issued to Non-Employee Directors under the Director Deferred Compensation Plan, see "Further Information Concerning the Board of Directors - Director Compensation." Pursuant to the Associated Dry Goods Corporation Executives Deferred Compensation Plan, participants elected to receive a portion of their cash compensation in the form of stock credits.

Under the plans described in the immediately preceding paragraph, entitlements due to participants are expressed as dollar amounts and then converted to stock credits in amounts equal to the number of shares of common stock that could be purchased by the applicable plan at current market prices with the cash that otherwise would have been payable to the participant. Under the Executive Deferred Compensation Plan and the Associated Dry Goods Corporation Executives Deferred Compensation Plan, each stock credit, other than a stock credit payable in cash, entitles the holder to receive one share of common stock upon the termination of the holder's employment or service with Macy's. Payments include dividend equivalents on the stock credits equal to any dividends paid to shareholders on shares of common stock. No specific numbers of shares are authorized for issuance under these plans.

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ITEM 1. ELECTION OF DIRECTORS

Macy's current Certificate of Incorporation and By-Laws provide that, beginning with the annual meeting in 2008, all directors will be elected annually and will serve one-year terms.

In accordance with the recommendation of the NCG Committee, the Board has nominated Stephen F. Bollenbach, Deirdre P. Connelly, Meyer Feldberg, Sara Levinson, Terry J. Lundgren, Joseph Neubauer, Joseph A. Pichler, Joyce M. Roché, Karl M. von der Heyden, Craig E. Weatherup and Marna C. Whittington, each of whom is currently a member of the Board, for election as directors. If elected, such nominees will serve for a one-year term to expire at Macy's annual meeting of shareholders in 2010 or until their successors are duly elected and qualified. Information regarding these nominees is set forth below. Ages are as of March 30, 2009.

Each nominee has consented to being nominated and agreed to serve if elected. If any nominee becomes unavailable to serve as a director before the annual meeting, the Board may designate a substitute nominee and the persons named as proxies may, in their discretion, vote your shares for the substitute nominee designated by the Board. Alternatively, the Board may reduce the number of directors to be elected at the annual meeting.

The Board recommends that you vote FOR the election of the nominees named above, and your proxy will be so voted unless you specify otherwise.

Nominees for Election as Directors:

STEPHEN F. BOLLENBACH

Mr. Bollenbach, age 66, has been the Non-Executive Chairman of the Board of Directors of KB Home, a homebuilding company, since April 2007. He served as co-Chairman and Chief Executive Officer of Hilton Hotels Corporation from May 2004 until his retirement in October 2007. From February 1996 to May 2004 he served as Chief Executive Officer and President of Hilton Hotels Corporation. He is also a member of the board of directors of American International Group, Inc., KB Home and Time Warner Inc. Mr. Bollenbach has been a director since June 2007.

DEIRDRE P. CONNELLY

Ms. Connelly, age 48, has been President, North American Pharmaceuticals of GlaxoSmithKline since February 2009. From June 2005 through January 2009 Ms. Connelly served as President U.S. Operations of Eli Lilly and Company. From October 2004 to June 2005, Ms. Connelly served as Senior Vice President Human Resources of Eli Lilly and Company. From May 2004 to October 2004, she served as Vice President Human Resources of Eli Lilly and Company. From 2003 to May 2004, Ms. Connelly served as Executive Director, Human Resources U.S. Operations of Eli Lilly and Company. From 2001 to 2003, she served as Leader, Women's Health Business U.S. Operations of Eli Lilly and Company. Ms. Connelly has been a director since January 2008.

MEYER FELDBERG

Professor Feldberg, age 67, has been Dean Emeritus and Professor of Leadership and Ethics at Columbia Business School at Columbia University since June 2004. Prior to that time, he served as the Dean of the

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Columbia Business School at Columbia University from 1989 to June 2004. He is currently on leave of absence from Columbia University and is serving as a Senior Advisor at Morgan Stanley. In 2007 New York Mayor Michael Bloomberg appointed Professor Feldberg as the President of NYC Global Partners, an office in the Mayor's office that manages the relationships between New York City and other global cities around the world. Professor Feldberg is also a member of the boards of directors of Revlon, Inc., Primedia, Inc., UBS Global Asset Management and SAPPI Limited. Professor Feldberg has been a director since May 1992.

SARA LEVINSON

Ms. Levinson, age 58, was the Non-Executive Chairman of ClubMom, Inc. from October 2002 until February 2008 and was Chairman and Chief Executive Officer of ClubMom from May 2000 through September 2002. She was President of the Women's Group of Rodale, Inc. from October 2002 until June 2005. From September 1994 through April 2000, she was President of NFL Properties, Inc. Ms. Levinson is also a member of the board of directors of CafeMom (CMI Marketing, Inc.), Harley Davidson, Inc. and KickApps Corporation. Ms. Levinson has been a director since May 1997.

TERRY J. LUNDGREN

Mr. Lundgren, age 57, has been Chairman of Macy's since January 15, 2004 and President and Chief Executive Officer of Macy's since February 26, 2003. Prior to that time, he served as the President/Chief Operating Officer and Chief Merchandising Officer of Macy's since April 15, 2002. From May 1997 until April 15, 2002, he was President and Chief Merchandising Officer of Macy's. Mr. Lundgren has been a director since May 1997.

JOSEPH NEUBAUER

Mr. Neubauer, age 67, has been Chairman and Chief Executive Officer of ARAMARK Holdings Corporation since January 2007. From September 2004 to January 2007, Mr. Neubauer served as Chairman and Chief Executive Officer of ARAMARK Corporation. From January 2004 to September 2004 he served as Executive Chairman of ARAMARK Corporation. Prior to that, he was Chief Executive Officer of ARAMARK Corporation from 1983 until December 2003 and Chairman from 1984 until December 2003. He is also a member of the boards of directors of ARAMARK Holdings Corporation and Verizon Communications, Inc. Mr. Neubauer has been a director since September 1992.

JOSEPH A. PICHLER

Mr. Pichler, age 69, was Chairman of The Kroger Co. from June 2003 until June 2004 and was Chairman and Chief Executive Officer of The Kroger Co. from September 1990 until June 2003. Mr. Pichler has been a director since December 1997.

JOYCE M. ROCHÉ

Ms. Roché, age 62, is the President and Chief Executive Officer of Girls Incorporated, a national non-profit research, education and advocacy organization. Prior to assuming her position at Girls Incorporated in September 2000, Ms. Roché was an independent marketing consultant from 1998 to August 2000. She served as President and Chief Operating Officer of Carson, Inc. from 1996 to 1998 and also held senior

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marketing positions with Carson, Inc., Revlon, Inc. and Avon, Inc. Ms. Roché is also a member of the boards of directors of AT&T, Inc. and Tupperware Corporation. Ms. Roché has been a director since February 2006.

KARL M. VON DER HEYDEN

Mr. Von der Heyden, age 72, was Vice Chairman of the Board of Directors of PepsiCo, Inc. from September 1996 to January 2001. He is also a member of the board of directors of Dreamworks Animation SKG, Inc. Mr. Von der Heyden has been a director since February 1992.

CRAIG E. WEATHERUP

Mr. Weatherup, age 63, worked with PepsiCo, Inc. for 24 years and served as Chief Executive Officer of its world-wide Pepsi-Cola business and President of PepsiCo, Inc. Mr. Weatherup also led the initial public offering of The Pepsi Bottling Group, Inc., where he served as Chairman and Chief Executive Officer from March 1999 to January 2003. Mr. Weatherup is also a member of the board of directors of Starbucks Corporation. Mr. Weatherup has been a director since August 1996.

MARNA C. WHITTINGTON

Dr. Whittington, age 61, has been President of Nicholas Applegate Capital Management since 2001 and Chief Operating Officer of Allianz Global Investors, the parent of Nicholas Applegate Capital Management, since 2002. Dr. Whittington is also a member of the board of directors of Rohm & Haas Company. Dr. Whittington has been a director since June 1993.

FURTHER INFORMATION CONCERNING THE BOARD OF DIRECTORS

Attendance at Meetings

The Board held six meetings during the fiscal year ended January 31, 2009, referred to as fiscal 2008. During fiscal 2008, no director attended fewer than 75%, in the aggregate, of the total number of meetings of the Board and Board Committees on which such director served.

Director Attendance at Annual Meetings

As a matter of policy, Macy's expects its directors to make reasonable efforts to attend Macy's annual meetings of shareholders. All directors who were directors as of the date of the annual meeting attended Macy's most recent annual meeting of shareholders.

Communications with the Board

You may communicate with the full Board, the Audit Committee, the Non-Employee Directors, or any individual director by communicating through Macy's Internet website at www.macysinc.com/investors/governance or by mailing such communications to 7 West Seventh Street, Cincinnati, Ohio 45202, Attn: General Counsel. Such

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communications should indicate to whom they are addressed. We will refer any communications we receive that relate to accounting, internal accounting controls or auditing matters to members of the Audit Committee unless the communication is otherwise addressed. You may communicate anonymously and/or confidentially if you desire. Macy's Office of the General Counsel will collect all communications and forward them to the appropriate director(s).

Director Independence

Macy's Corporate Governance Principles require that a majority of the Board consist of directors who the Board has determined do not have any material relationship with Macy's and are independent. The Board has adopted standards for director independence to assist the Board in determining if a director is independent. These standards, disclosed on Macy's website at www.macysinc.com/investors/governance, are as follows:

The director may not be (and may not have been within the preceding 60 months) an employee and no member of the director's immediate family may be (and may not have been within the preceding 36 months) an executive officer of Macy's or any of its subsidiaries. For purposes of these Standards for Director Independence, immediate family includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.

The director is not a party to any contract pursuant to which such director provides personal services (other than as a director) to Macy's or any of its subsidiaries.

Neither the director nor any member of his or her immediate family receives, or has received within the preceding 36 months, direct compensation of more than \$120,000 per year from Macy's or any of its subsidiaries (other than director and committee fees and pension or other forms of deferred compensation for prior service that is not contingent on continued service or, in the case of an immediate family member, compensation for service as a non-executive employee).

Neither the director nor any member of his or her immediate family is (and has not been within the preceding 60 months) affiliated with or employed in a professional capacity, including as an executive officer, partner or principal, by any corporation or other entity that is or was a paid adviser, consultant or provider of professional services to, or a substantial supplier of, Macy's or any of its subsidiaries.

The director is not a current employee and no member of his or her immediate family is a current executive officer of a company that makes payments to, or receives payments from, Macy's for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

The director is not employed by an organization that received, within the preceding 60 months, eleemosynary grants or endowments from Macy's or any of its subsidiaries in excess of \$250,000 in any fiscal year of Macy's.

The director is not a parent, child, sibling, aunt, uncle, niece, nephew or first cousin of any other director of Macy's.

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The director is not a party to any agreement binding him or her to vote, as a shareholder of Macy's, in accordance with the recommendations of the Board.

The director is not a director of any corporation or other entity (other than Macy's) of which Macy's Chairman or Chief Executive Officer is also a director.

Neither the director nor a member of the director's immediate family is employed as an executive officer (and has not been so employed for the preceding 12 months) by another company where any of Macy's present executive officers at the same time serves or served on that company's compensation committee.

The Board has determined that each of the following Non-Employee Directors qualifies as independent under New York Stock Exchange (NYSE) rules and satisfies Macy's standards for director independence: Stephen Bollenbach, Deirdre Connelly, Meyer Feldberg, Sara Levinson, Joseph Neubauer, Joseph Pichler, Joyce Roché, Karl von der Heyden, Craig Weatherup and Marna Whittington. To assist the Board in making that determination, the NCG Committee reviewed, among other things, each director's employment status and other board commitments and, where applicable, each director's (and his or her immediate family members') affiliation with consultants, service providers or suppliers of the company.

Non-Employee Directors Meetings

The Non-Employee Directors meet in executive session without management either before or after all regularly scheduled Board meetings. The chairpersons of the Board Committees preside at such sessions by rotation. Non-Employee Directors who are not independent under the NYSE listing standards may participate in these executive sessions, but the Board would then hold at least one executive session each year exclusively for Non-Employee Directors who are independent under the NYSE listing standards.

Table of Contents**Committees of the Board**

The following standing committees of the Board were in existence throughout fiscal 2008: the Audit Committee, the Compensation and Management Development Committee, referred to as the CMD Committee, the Finance Committee and the NCG Committee. The table below provides the current members of each Board committee and meeting information for fiscal 2008:

Name	Audit	CMD	Finance	NCG
Stephen F. Bollenbach	X		X	
Deirdre P. Connelly				X
Meyer Feldberg		X**		X
Sara Levinson		X		X
Terry J. Lundgren				
Joseph Neubauer	X**	X	X	
Joseph A. Pichler		X		X*
Joyce M. Roché	X			X
Karl M. von der Heyden		X	X*	
Craig E. Weatherup		X*		X
Marna C. Whittington	X*		X**	
2008 Meetings	5	6	7	2

* Chair

** Vice Chair

Audit Committee. The Audit Committee was established in accordance with the applicable requirements of the Securities Exchange Act of 1934 and the NYSE. Its charter is disclosed on Macy's website at www.macysinc.com/investors/governance. As required by the Audit Committee charter, all current members of the Audit Committee are independent under Macy's standards for director independence. The Board has determined that all members are financially literate for purposes of NYSE listing standards, and that Dr. Whittington qualifies as an audit committee financial expert because of her business experience, understanding of generally accepted accounting principles and financial statements, and educational background.

The responsibilities of the Audit Committee include:

reviewing the professional services provided by Macy's independent registered public accounting firm and the independence of such firm prior to initial engagement of the firm and annually thereafter;

reviewing the scope of the audit by Macy's independent registered public accounting firm;

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reviewing any proposed non-audit services by Macy's independent registered public accounting firm to determine if the provision of such services is compatible with the maintenance of their independence, and approval of same;

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reviewing Macy's annual financial statements, systems of internal accounting controls, material legal developments relating thereto, and legal compliance policies and procedures;

reviewing matters with respect to the legal, accounting, auditing and financial reporting practices and procedures of Macy's as it may find appropriate or as may be brought to its attention, including Macy's compliance with applicable laws and regulations;

monitoring the functions of Macy's Compliance and Ethics organization, including review and discussing with management and the Board the organization's reports describing its on-going projects, the status of its communications and training programs, the status of pending compliance issues and other matters;

reviewing with members of Macy's internal audit staff the internal audit department's staffing, responsibilities and performance, including its audit plans, audit results and actions taken with respect to those results; and

establishing procedures for the Audit Committee to receive, review and respond to complaints regarding accounting, internal accounting controls, and auditing matters, as well as confidential, anonymous submissions by employees of concerns related to questionable accounting or auditing matters.

See Report of the Audit Committee for further information regarding certain reviews and discussions undertaken by the Audit Committee.

Compensation and Management Development Committee. The charter for the CMD Committee is disclosed on Macy's website at www.macysinc.com/investors/governance. As required by the CMD Committee charter, all current members of the CMD Committee are independent under Macy's standards for director independence.

The responsibilities of the CMD Committee include:

reviewing the salaries of the chief executive officer and other executive officers of Macy's and, either as a Committee or together with the independent directors (as directed by the Board), set compensation levels for these executives;

administering the bonus, incentive and stock option plans of Macy's, including (i) establishing any annual or long-term performance goals and objectives and maximum annual or long-term incentive awards for the chief executive officer and the other executives, (ii) determining whether and the extent to which annual and/or long-term performance goals and objectives have been achieved, and (iii) determining related annual and/or long-term incentive awards for the chief executive officer and the other executives;

reviewing and approving the benefits of the chief executive officer and the other executive officers of Macy's;

reviewing and approving any proposed employment agreement with, and any proposed severance, termination or retention plans, agreements or payments applicable to, any executive officer of Macy's;

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advising and consulting with Macy's management regarding pension, benefit and compensation plans, policies and practices of Macy's;

establishing chief executive officer and key executive succession plans, including plans in the event of an emergency, resignation or retirement; and

reviewing and monitoring executive development strategies and practices for senior level positions and executives to assure development of a pool of management and executive personnel for adequate and orderly management succession.

Finance Committee. The charter for the Finance Committee is disclosed on Macy's website at www.macysinc.com/investors/governance. As required by the Finance Committee charter, a majority of the members of the Finance Committee are independent under Macy's standards for director independence.

The responsibilities of the Finance Committee include:

reviewing capital projects and other financial commitments and approving such projects and commitments above \$15 million and below \$25 million, reviewing and making recommendations to the Board with respect to approval of all such projects and commitments of \$25 million and above, and reviewing and tracking the actual progress of approved capital projects against planned projections;

reporting to the Board on potential transactions affecting Macy's capital structure, such as financings, refinancings and the issuance, redemption or repurchase of Macy's debt or equity securities;

reporting to the Board on potential changes in Macy's financial policy or structure which could have a material financial impact on Macy's;

reviewing the financial considerations relating to acquisitions and dispositions of businesses and operations involving projected costs or income above \$15 million and below \$25 million and approving all such transactions, and reporting to the Board on all such transactions involving projected costs or income of \$25 million and above; and

reviewing the management and performance of the assets of Macy's retirement plans.

Nominating and Corporate Governance Committee. The charter for the NCG Committee is disclosed on Macy's website at www.macysinc.com/investors/governance. As required by the NCG Committee charter, all current members of the NCG Committee are independent under Macy's standards for director independence.

The responsibilities of the NCG Committee include:

identifying and screening candidates for future Board membership;

proposing candidates to the Board to fill vacancies as they occur, and proposing nominees to the Board for election by the shareholders at annual meetings;

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reviewing Macy's Corporate Governance Principles and recommending to the Board any modifications that the NCG Committee deems appropriate;

overseeing the evaluation of and reporting to the Board on the performance and effectiveness of the Board and its committees and other issues of corporate governance, and recommending to the Board any changes concerning the composition, size, structure and activities of the Board and the committees of the Board as the NCG Committee deems appropriate based on its evaluations;

reviewing and reporting to the Board with respect to director compensation and benefits and make recommendations to the Board as the NCG Committee deems appropriate; and

considering possible conflicts of interest of Board members and management and making recommendations to prevent, minimize, or eliminate such conflicts of interest.

The NCG Committee reviews the director compensation program periodically. To help it perform its responsibilities, the NCG Committee makes use of company resources, including members of senior management in Macy's human resources and legal departments. In addition, the NCG Committee engages the services of an independent outside compensation consultant to assist the NCG Committee in assessing the competitiveness and overall appropriateness of Macy's director compensation program.

Identification and Selection of Nominees for the Board

Macy's By-laws provide that director nominations may be made by or at the direction of the Board. The NCG Committee is charged with identifying individuals qualified to become Board members and recommending such individuals to the Board for its consideration. The NCG Committee is authorized, among other means of identifying potential candidates, to employ third-party search firms. In evaluating potential candidates, the NCG Committee considers, among other things, the following:

personal qualities and characteristics, accomplishments and reputation in the business community;

knowledge of the communities in which Macy's does business and Macy's industry or other industries relevant to Macy's business;

relevant experience and background that would benefit Macy's;

ability and willingness to commit adequate time to Board and committee matters;

the fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of Macy's; and

diversity of viewpoints, background, experience and demographics.

The NCG Committee also takes into consideration whether particular individuals satisfy the independence criteria set forth in the NYSE listing standards and Macy's standards for director independence,

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together with any special criteria applicable to service on various standing committees of the Board. The full Board (a) considers candidates that the NCG Committee recommends, (b) considers the optimum size of the Board, (c) determines how to address any vacancies on the Board, and (d) determines the composition of all Board committees.

Macy's Corporate Governance Principles provide for a mandatory retirement age for directors of 72. Non-Employee Directors are required to resign from the Board as of the annual meeting following their 72nd birthday. At its February 20, 2009 meeting, the NCG Committee determined that it was in the best interests of the Company to waive for one year the application of the mandatory retirement provision with respect to Mr. von der Heyden. Consequently, upon the recommendation of the NCG Committee, the Board of Directors has waived the application of the mandatory retirement provision with respect to Mr. von der Heyden for fiscal 2009 and has nominated him for election as a director at the annual meeting for a one-year term to expire at Macy's annual meeting of shareholders in 2010.

The NCG Committee will consider candidates for nomination recommended by shareholders of Macy's and will evaluate such candidates using the same criteria discussed above that it uses to evaluate director candidates identified by the NCG Committee. Shareholders who wish to recommend a candidate for a director nomination should write to the Nominating and Corporate Governance Committee, c/o Dennis J. Broderick, Secretary, Macy's, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202. The recommendation should include the full name and address of the proposed candidate, a description of the proposed candidate's qualifications and other relevant biographical information.

Director Nominations by Shareholders

Macy's By-Laws also provide that director nominations may be made by the company's shareholders. The By-Laws require that shareholders intending to nominate candidates for election as directors deliver written notice thereof to the Secretary of Macy's not less than 60 days prior to the meeting of shareholders. However, in the event that the date of the meeting is not publicly announced by Macy's by inclusion in a report filed with the SEC or furnished to shareholders, or by mail, press release or otherwise more than 75 days prior to the meeting, notice by the shareholder to be timely must be delivered to the Secretary of Macy's not later than the close of business on the tenth day following the day on which such announcement of the date of the meeting was so communicated. The By-Laws further require, among other things:

that the notice by the shareholder set forth certain information concerning such shareholder and the shareholder's nominees, including their names and addresses;

a representation that the shareholder is entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

the class and number of shares of Macy's stock owned or beneficially owned by such shareholder;

a description of all arrangements or understandings between the shareholder and each nominee;

such other information as would be required to be included in a proxy statement soliciting proxies for the election of the nominees of such shareholder; and

the consent of each nominee to serve as a director of Macy's if so elected.

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The chairman of the Board may refuse to acknowledge the nomination of any person not made in compliance with these requirements. Similar procedures prescribed by the By-Laws are applicable to shareholders desiring to bring any other business before an annual meeting of the shareholders. See Submission of Future Shareholder Proposals.

Corporate Governance Principles and Code of Business Conduct and Ethics

Macy's Corporate Governance Principles, Non-Employee Director Code of Business Conduct and Ethics and Code of Conduct are disclosed on Macy's website at www.macysinc.com/investors/governance. Shareholders may obtain copies of these documents and the charters for the Board committees, without charge, by sending a written request to the following address: Secretary, Macy's, Inc., 7 West Seventh, Cincinnati, Ohio 45202.

Director Compensation

Non-Employee Directors receive the following compensation:

Type of Compensation	Amount of Compensation
Board Retainer	\$60,000 annually
Board or Board Committee Meeting Fee	\$2,000 for each meeting attended and for each review session with one or more members of management
Committee Chairperson Retainer	\$10,000 annually
Equity Grant	up to 10,000 stock options annually
Matching Philanthropic Gift	up to \$22,500 annually

Under Macy's Director Deferred Compensation Plan, 50% of the annual Board retainer (including the retainer payable to a committee chair) and 50% of the meeting fees payable to Non-Employee Directors (the Mandatory Stock Compensation) are paid in credits representing the right to receive shares of Macy's common stock (Mandatory Stock Credits), with the balance (Elective Compensation) paid in cash or deferred under the Director Deferred Compensation Plan. Mandatory Stock Compensation is reflected in the Stock Awards column of the 2008 Non-Employee Director Summary Compensation Table below. Elective Compensation is reflected in the Fees Earned or Paid in Cash column of the 2008 Non-Employee Director Summary Compensation Table below. If a Non-Employee elects to defer all or a portion of the Elective Compensation into either stock credits or cash credits under the Director Deferred Compensation Plan, those amounts are not paid to him or her until service on the Board ends. Mandatory Stock Credits and stock credits relating to Elective Compensation that is deferred as stock credits are calculated monthly. Shares of Macy's common stock associated with such stock credits are transferred quarterly to a rabbi trust for the benefit of the participating Non-Employee Director. Dividend equivalents on the amounts deferred as stock credits are reinvested in additional stock credits. Elective Compensation deferred as cash credits earn interest each year at a rate equal to the yield (percent per annum) on 30-Year Treasury Bonds as of December 31 of the prior plan year.

Non-Employee Directors typically receive a non-qualified stock option grant under the 1995 Equity Plan or the 1994 Stock Plan on the date of the annual meeting. If an individual is elected by the Board as a

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Non-Employee Director after the date of the annual meeting and prior to the end of the calendar year, the Non-Employee Director receives a pro-rated stock option grant shortly after his or her election to the Board based on the number of months remaining in the calendar year following the date of his or her election. All options have a 10-year term, vest 25% on each of the first four anniversaries following the grant date, and are priced at the closing price of Macy's common stock on the NYSE on the day prior to the grant date.

Non-Employee Directors may participate in the philanthropic matching gift program of the Macy's Foundation on the same terms as all company employees. Under this program, the Macy's Foundation will match up to a total of \$22,500 of gifts made by the director to approved charities in any calendar year.

Each Non-Employee Director and his or her spouse and eligible dependents also receive executive discounts on merchandise purchased at Macy's stores. This benefit remains available to them following retirement from the Board. As described below, the retirement plan for Non-Employee Directors was terminated in 1997.

The following table reflects the compensation information for each Non-Employee Director for fiscal 2008. Mr. Lundgren does not receive separate compensation for his service as a Director; his compensation is reflected in the 2008 Summary Compensation Table in the section titled Compensation of the Named Executives for 2008.

2008 NON-EMPLOYEE DIRECTOR SUMMARY COMPENSATION TABLE

Name	Fees Earned	Stock Awards	Option Awards	Change in Pension	All Other	Total(\$)
	or Paid in			Value and		
	Cash (1)(\$)	(1)(3)(\$)	(2)(3)(\$)	Non-Qualified	Compensation (5)	
				Deferred		
				Earnings (4)(\$)		
Stephen F. Bollenbach	49,000	49,000	75,600	0	1,453	175,053
Deirdre P. Connelly	40,000	40,000	12,600	0	8,676	101,276
Meyer Feldberg	47,000	(199,277)	75,600	0	54,069	(22,608)
Sara Levinson	47,000	(189,749)	122,925	0	7,784	(12,040)
Joseph Neubauer	55,000	(228,968)	75,600	0	16,616	(81,752)
Joseph A. Pichler	53,000	(198,811)	75,600	0	24,946	(45,265)
Joyce M. Roché	45,000	8,493	82,375	0	12,720	148,588
Karl M. von der Heyden	60,000	(255,494)	75,600	166	32,958	(86,770)
Craig E. Weatherup	57,000	(176,143)	122,925	0	53,832	57,614
Marna C. Whittington	58,000	(247,602)	122,925	0	84,462	17,785

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- (1) All Elective Compensation is reflected in the Fees Earned or Paid in Cash column, whether it is paid currently in cash or deferred under the Director Deferred Compensation Plan. Seven of the Non-Employee Directors elected to defer all or a portion of the Elective Compensation payable to them during fiscal 2008, as follows:

Name	Elective Compensation Deferred(\$)	Deferred as Cash Credits(\$)	Deferred as Stock Credits(#)
Bollenbach	49,000	0	3,169.5
Levinson	47,000	47,000	0.0
Neubauer	55,000	0	3,556.5
Pichler	53,000	53,000	0.0
Roché	33,750	0	2,164.0
Weatherup	57,000	0	3,759.5
Whittington	58,000	0	3,732.5

The amounts in the Stock Awards column reflect the Mandatory Stock Compensation payable in fiscal 2008 plus the variable accounting treatment and dollar amounts recognized for financial statement reporting purposes in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (FAS 123R) for fiscal 2008 for Mandatory Stock Credits issued in fiscal 2008 and prior years, as further detailed in the following table. The application of variable accounting and FAS 123R resulted in credits to compensation expense in 2008 due to declines in the market price for shares of Macy's common stock subsequent to the end of fiscal 2007.

Name	Mandatory Stock Credits(#)	Mandatory Stock Compensation(\$)	2008 Additional Expense/(Credit) Recognized for Financial Statement Reporting Purposes(\$)	Total(\$)
Bollenbach	3,169.5	49,000	0	49,000
Connelly	2,575.0	40,000	0	40,000
Feldberg	3,001.0	47,000	(246,277)	(199,277)
Levinson	3,001.0	47,000	(236,749)	(189,749)
Neubauer	3,556.5	55,000	(283,968)	(228,968)
Pichler	3,355.0	53,000	(251,811)	(198,811)
Roché	2,869.0	45,000	(36,507)	8,493
von der Heyden	3,908.0	60,000	(315,494)	(255,494)
Weatherup	3,759.5	57,000	(233,143)	(176,143)
Whittington	3,732.5	58,000	(305,602)	(247,602)

- (2) The grant date fair value of the stock options granted to each of the Non-Employee Directors in fiscal 2008 was \$75,600. The amounts in the Option Awards column do not necessarily reflect compensation actually received by the Non-Employee Directors. The amounts reflect the dollar amount recognized for financial statement reporting purposes in accordance with FAS 123R for fiscal 2008 for stock options issued pursuant to the 1995 Equity Plan. The tables below show that the amount recognized includes the awards granted in fiscal 2008 and in as many as four prior years.

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Since Mr. Bollenbach, Mr. Feldberg, Mr. Neubauer, Mr. Pichler and Mr. von der Heyden are over age 65, the full grant date fair market value of their 2008 stock option awards was expensed in fiscal 2008. The fair value of their stock option awards prior to fiscal 2008 has previously been fully expensed.

Assumptions and terms used in the calculation of the amounts expensed for fiscal 2008 are included in footnote 16 to Macy's audited financial statements included in Macy's Annual Report on Form 10-K for fiscal 2008 (the 2008 10-K), in footnote 14 to Macy's audited financial statements included in Macy's Annual Report on Form 10-K for fiscal 2007 (the 2007 10-K), and in footnote 15 to Macy's audited financial statements included in Macy's Annual Report on Form 10-K for fiscal 2006 (the 2006 10-K).

Grant Date	Bollenbach			Grant Date	Connelly			Grant Date	Feldberg		
	Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)
5/16/08	10,000	7.56	75,600	5/16/08	10,000	7.56	12,600	5/16/08	10,000	7.56	75,600
7/2/07	5,000	14.60	0					5/18/07	10,000	14.34	0
			75,600					5/19/06	10,000	13.57	0
								7/13/05	10,000	13.12	0
								5/21/04	10,000	9.30	0
											75,600

Grant Date	Levinson			Grant Date	Neubauer			Grant Date	Pichler		
	Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)
5/16/08	10,000	7.56	12,600	5/16/08	10,000	7.56	75,600	5/16/08	10,000	7.56	75,600
5/18/07	10,000	14.34	35,850	5/18/07	10,000	14.34	0	5/18/07	10,000	14.34	0
5/19/06	10,000	13.57	33,925	5/19/06	10,000	13.57	0	5/19/06	10,000	13.57	0
7/13/05	10,000	13.12	32,800	7/13/05	10,000	13.12	0	7/13/05	10,000	13.12	0
5/21/04	10,000	9.30	7,750	5/21/04	10,000	9.30	0	5/21/04	10,000	9.30	0
			122,925				75,600				75,600

Grant Date	Roché			Grant Date	von der Heyden			Grant Date	Weatherup		
	Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)		Options (#)	FMV (\$)	2008 Expense (\$)
5/16/08	10,000	7.56	12,600	5/16/08	10,000	7.56	75,600	5/16/08	10,000	7.56	12,600
5/18/07	10,000	14.34	35,850	5/18/07	10,000	14.34	0	5/18/07	10,000	14.34	35,850
5/19/06	10,000	13.57	33,925	5/19/06	10,000	13.57	0	5/19/06	10,000	13.57	33,925
			82,375	7/13/05	10,000	13.12	0	7/13/05	10,000	13.12	32,800
				5/21/04	10,000	9.30	0	5/21/04	10,000	9.30	7,750
							75,600				122,925

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Whittington			
Grant Date	Options (#)	FMV (\$)	2008
			Expense (\$)
5/16/08	10,000	7.56	12,600
5/18/07	10,000	14.34	35,850
5/19/06	10,000	13.57	33,925
7/13/05	10,000	13.12	32,800
5/21/04	10,000	9.30	7,750
			122,925

- (3) The table below shows the number of stock options and stock credits held by the Non-Employee Directors as of the end of fiscal 2008. Stock credits are valued based on a closing price at fiscal year-end of \$8.95. The exercise prices for all stock options exceed the \$8.95 per share market value for Macy's common stock at fiscal year end, resulting in a value at fiscal year end of \$0 for all stock options.

Name	Stock Options Number of Securities Underlying		Stock Credits	
	Unexercised Options (#)		Number of Stock Credits (#)	Market Value of Stock Credits (\$)
	Exercisable	Unexercisable		
	Bollenbach	1,250	13,750	8,160
Connelly	0	10,000	2,722	24,362
Feldberg	69,000	25,000	5,856	52,411
Levinson	69,000	25,000	22,283	199,433
Neubauer	69,000	25,000	67,011	599,748
Pichler	69,000	25,000	18,401	164,689
Roché	7,500	22,500	9,608	85,992
von der Heyden	69,000	25,000	45,483	407,073
Weatherup	69,000	25,000	42,195	377,645
Whittington	69,000	25,000	28,748	257,295

- (4) The present value of benefits under the Non-Employee Director retirement plan for each individual was determined as a deferred temporary life annuity based on years of Board service prior to May 16, 1997. The present value basis includes a discount rate of 7.45% and mortality rates under the RP2000CH table projected to January 1, 2009 using scale AA. Scale AA defines how future mortality improvements are incorporated into the projected mortality table and is based on a blend of Federal Civil Service and Social Security experience from 1977 through 1993. The actuarial present value of the pension benefit for four directors decreased, as follows: Mr. Feldberg (\$3,262), Mr. Neubauer (\$2,557), Mr. Weatherup (\$1,271), and Dr. Whittington (\$7,244). The decrease in pension value is mainly attributable to the fact that the discount rate increased from 6.25% for fiscal 2007 to 7.45% for fiscal 2008. The calculations assume that the annual retainer remains at \$60,000 and a retirement at age 72, the mandatory retirement age for Directors.

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- (5) All Other Compensation includes the items shown below. Merchandise discounts are credited to the Directors' charge accounts. Gross-up on taxes on the merchandise discount are paid in cash after the end of the year, so the amounts shown reflect the gross-up on the prior fiscal year amounts.

Name	Merchandise		Matching	Total
	Discount	Gross-Up	Philanthropic	
	(\$)	(\$)	Gift	(\$)
Bollenbach	1,453	0	0	1,453
Connelly	5,376	0	3,300	8,676
Feldberg	24,457	7,112	22,500	54,069
Levinson	2,506	2,253	3,035	7,784
Neubauer	10,395	6,221	0	16,616
Pichler	1,242	1,204	22,500	24,946
Roché	4,608	2,109	6,003	12,720
von der Heyden	6,009	4,449	22,500	32,958
Weatherup	20,367	10,965	22,500	53,832
Whittington	48,204	13,758	22,500	84,462

Director Retirement Plan

Macy's retirement plan for Non-Employee Directors was terminated on a prospective basis effective May 16, 1997 (the Plan Termination Date). As a result of such termination, persons who first become Non-Employee Directors after the Plan Termination Date will not be entitled to receive any benefit from the plan. Persons who were Non-Employee Directors as of the Plan Termination Date will be entitled to receive retirement benefits accrued as of the Plan Termination Date. Subject to an overall limit in an amount equal to the aggregate retirement benefit accrued as of the Plan Termination Date (i.e., the product of the amount of the annual Board retainer earned immediately prior to retirement and the years of Board service prior to the Plan Termination Date), eligible retirees who retire from service as Non-Employee Directors will be entitled to receive an annual payment equal to the amount of the annual Board retainer earned immediately prior to retirement, payable in monthly installments, commencing at retirement and continuing for the lesser of such person's remaining life or a number of years equal to such person's years of Board service prior to the Plan Termination Date. There are no survivor benefits under the terms of the retirement plan. Five of the current Non-Employee Directors participate in the plan. If they had retired on December 31, 2008, each would have been entitled to a \$60,000 annual payment for the following maximum number of years:

Name	Years
Feldberg	5
Neubauer	5
von der Heyden	5
Weatherup	1
Whittington	4

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Director Stock Ownership Guidelines

In fiscal year 2005, the NCG Committee recommended, and the Board adopted, stock ownership guidelines for Non-Employee Directors. Under these guidelines, Non-Employee Directors are required to accumulate over time shares of Macy's common stock equal in value to at least five times the annual Board retainer and maintain or exceed that ownership level for their remaining tenure on the Board. Currently, the annual Board retainer is \$60,000, so the guideline currently is \$300,000 worth of Macy's common stock. Shares counted toward this requirement include:

any shares beneficially owned by the director;

restricted stock before the restrictions have lapsed; and

stock credits or other stock units credited to a director's account.

Macy's common stock subject to unvested or unexercised stock options granted to Non-Employee Directors does not count toward the ownership requirement. Non-Employee Directors must comply with these guidelines by December 9, 2010 or within five years from the date the director's Board service commenced, whichever is later.

Table of Contents**ITEM 2. APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has appointed KPMG LLP, an independent registered public accounting firm, to audit the books, records and accounts of Macy's for the fiscal year ending January 30, 2010. KPMG LLP and its predecessors have served as the independent registered public accounting firm for Macy's since 1988, and the Audit Committee considers them well qualified. Representatives of KPMG LLP are expected to be present at the annual meeting and will have the opportunity to make a statement if they desire to do so. It is also expected that they will be available to respond to appropriate questions. The Audit Committee has asked the Board to submit to shareholders a proposal asking shareholders to ratify the appointment of KPMG LLP. If the appointment of KPMG LLP is not ratified by shareholders, the Audit Committee will take such action, if any, with respect to the appointment of the independent registered public accounting firm as the Audit Committee deems appropriate.

Fees Paid to Independent Registered Public Accounting Firm

The table below summarizes the fees paid to KPMG LLP during fiscal 2008 and fiscal 2007:

Year	Audit Fees(\$)	Audit- Related Fees(\$)	Tax Fees(\$)	All Other Fees(\$)	Total(\$)
2008	5,240,000	1,196,400	148,703	0	6,585,103
2007	5,297,200	1,526,300	180,500	0	7,004,000

Audit fees represent fees for professional services rendered for the audit of Macy's annual financial statements, the audit of Macy's internal controls over financial reporting and the reviews of the interim financial statements included in Macy's Forms 10-Q.

Audit-related fees represent professional services principally related to the audits of financial statements of employee benefit plans, audits of financial statements of certain subsidiaries and certain agreed upon procedures reports.

Tax fees represent professional services related to tax compliance and consulting services. Such tax consulting services did not involve the provision of advice regarding tax strategy or planning.

The Audit Committee has adopted policies and procedures for the pre-approval of all permitted non-audit services provided by Macy's independent registered public accounting firm. A description of such policies and procedures is attached as Appendix A to this proxy statement and incorporated herein by reference.

The Board recommends that you vote FOR ratification of the appointment of KPMG LLP, and your proxy will be so voted unless you specify otherwise.

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ITEM 3. APPROVAL OF

THE MACY S, INC. 2009 OMNIBUS INCENTIVE COMPENSATION PLAN

Overview

This Item 3 relates to the proposed Macy's, Inc. 2009 Omnibus Incentive Compensation Plan, or 2009 Incentive Plan. As of March 31, 2009, the Board unanimously approved and adopted the 2009 Incentive Plan, subject to the approval of Macy's shareholders. The 2009 Incentive Plan affords the Board the ability to design compensatory awards that are responsive to Macy's needs, and includes authorization for a variety of awards designed to advance Macy's interests and long-term success by encouraging stock ownership among Macy's officers and other key executives, employees, non-employee directors and consultants and other advisors or otherwise linking the compensation of such persons to share price performance or the achievement of specified corporate objectives. These awards include equity and cash awards intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, which Macy's refers to as the Code.

Macy's has historically granted equity awards under various plans, including most recently the 1994 Stock Plan and the 1995 Equity Plan. Macy's refers to the 1994 Stock Plan and 1995 Equity Plan together as the Prior Plans. If the 2009 Incentive Plan is approved by Macy's shareholders as proposed, no further awards will be made under the Prior Plans, and, apart from the issuance of stock credits as described below, the 2009 Incentive Plan will become the primary equity and long-term cash compensation plan for Macy's. As of January 31, 2009, under the Prior Plans, stock options with respect to 38,794,466 shares of Macy's common stock were outstanding with a weighted average exercise price of \$28.64 and a weighted average remaining term of 5.4 years, and there were 482,864 restricted shares outstanding. Under the Prior Plans, there were 20,875,527 shares available for grant as of January 31, 2009. The closing price of Macy's common stock on March 30, 2009 was \$8.91 per share.

Commitment to Making Responsible Awards of Equity Compensation. The Board and the CMD Committee remain committed to making responsible awards of equity compensation under Macy's equity compensation plans. For example, under the 2009 Incentive Plan:

The terms of option rights and stock appreciation rights, or SARs, do not exceed 10 years;

The exercise price of option rights and the base price of SARs may not be less than the market price of the underlying common stock on the date of grant;

There are no reload provisions;

Option rights and SARs may not be repriced, unless approved by the shareholders; and

Award documentation may include recoupment (*i.e.*, clawback) provisions and/or restrictive covenants. Macy's executive officers and non-employee directors will be eligible to receive awards under the 2009 Incentive Plan, and therefore have an interest in Item 3.

Summary of the 2009 Incentive Plan

The Board and the CMD Committee recommend that the shareholders approve the 2009 Incentive Plan. If the holders of a majority of the shares of common stock which are represented and actually voted at the

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annual meeting, and which constitute a majority in interest of all of the common shares entitled to vote thereon, vote **FOR** the 2009 Incentive Plan, it will immediately become effective. Upon the effectiveness of the 2009 Incentive Plan, no further grants will be made under the Prior Plans. If Macy's shareholders do not approve the 2009 Incentive Plan, the 2009 Incentive Plan will not become effective, and the Prior Plans, as they presently exist, will continue in effect. The results of the vote will not affect any awards outstanding under the Prior Plans at the time of the annual meeting.

Set forth below is a summary of the principal features of the 2009 Incentive Plan, but the following summary is not intended to be exhaustive and is qualified in its entirety by reference to the 2009 Incentive Plan itself, a copy of which is attached to this proxy statement as **Appendix B**.

Purpose. As one of the key elements of its strategic plan, Macy's links the compensation of directors, key employees and other individuals to the achievement of Macy's business plans. The 2009 Incentive Plan is intended to help Macy's attract and retain directors, officers, other key executives and employees and consultants and advisors. The 2009 Incentive Plan is also intended to provide Macy's directors, officers, other key executives and employees and consultants and advisors with incentives and rewards relating to Macy's business plans to encourage such persons to devote themselves to the business of Macy's and its subsidiaries.

Eligibility. The officers, executives, and other employees of Macy's or its subsidiaries and Macy's non-employee directors may be selected by the CMD Committee to receive awards under the 2009 Incentive Plan. In addition, the CMD Committee may select certain consultants and advisors providing services to Macy's or its subsidiaries to receive awards under the 2009 Incentive Plan. The CMD Committee determines which eligible persons will receive awards and the size, terms, conditions and restrictions of such awards. Macy's refers to eligible persons who have been approved to receive awards under the 2009 Incentive Plan as participants. The number of persons eligible to participate in the 2009 Incentive Plan is estimated to be approximately 167,000 people, but Macy's historically has not granted awards to more than approximately 1,800 people in any single calendar year.

Administration. The 2009 Incentive Plan is to be administered by the CMD Committee. If, however, any matters are required to be administered by the Board under Macy's organizational and governance documents, including the CMD Committee's charter, the Board will administer such matters (to that extent, references to the CMD Committee include references to the Board). The CMD Committee may delegate authority to administer the 2009 Incentive Plan to a subcommittee. No member of the CMD Committee may be an employee of Macy's or its subsidiaries. Each member of the CMD Committee must also qualify as a non-employee director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, qualify as an outside director within the meaning of Section 162(m) of the Code and be independent of Macy's within the meaning of the New York Stock Exchange listing standards. The CMD Committee may grant awards to eligible persons and, in addition, may delegate to one or more officers certain authority with respect to the granting of awards other than awards to executive officers, directors or individuals who beneficially own more than 10% of any class of Macy's securities. The CMD Committee is authorized to interpret the 2009 Incentive Plan and related agreements and documents and to take various other actions with respect thereto.

Available Awards. The 2009 Incentive Plan authorizes Macy's to provide equity-based compensation in the form of (1) option rights, including incentive stock options, or ISOs, entitling the optionee to favorable tax treatment under Section 422 of the Code, (2) SARs, (3) restricted stock, (4) restricted stock units, or RSUs,

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(5) performance shares, and (6) other stock-based awards. Macy's is also authorized under the 2009 Incentive Plan to provide cash-based incentive compensation in the form of performance-based cash awards, which Macy's refers to as Incentive Awards. Each type of award is described below under Types of Awards Under the 2009 Incentive Plan. Each of the awards will be evidenced by an evidence of award containing such terms and provisions, consistent with the 2009 Incentive Plan, as the CMD Committee may approve.

Section 162(m) of the Code. The 2009 Incentive Plan is designed to comply with the requirements of applicable federal and state securities laws and the Code, and to allow Macy's to grant awards that satisfy the requirements for the performance-based compensation exclusion from the deduction limitations under Section 162(m) of the Code.

The Board and the CMD Committee believe that it is in Macy's interests and the interests of Macy's shareholders to maintain an equity and long-term cash compensation plan under which compensation awards made to Macy's named executive officers can qualify for deductibility for federal income tax purposes. Accordingly, the 2009 Incentive Plan has been structured in a manner such that awards under it can satisfy the requirements for the performance-based compensation exclusion from the deduction limitations under Section 162(m) of the Code. In order for awards to satisfy the requirements for the performance-based compensation exclusion from the deduction limitations under Section 162(m) of the Code (which Macy's refers to as Qualified Performance-Based Awards), the 2009 Incentive Plan specifies performance measures and other material terms that must be approved by Macy's shareholders. Approval of the 2009 Incentive Plan by the required vote of Macy's shareholders described above is intended to constitute such approval.

Shares Available Under the 2009 Incentive Plan. Subject to adjustment as provided for in the 2009 Incentive Plan, the number of shares of common stock subject to grants under the 2009 Incentive Plan will not exceed in the aggregate:

51 million shares, *minus*

one share for each share subject to an option right or SAR, and 1.75 shares for each share subject to another award, granted under the Prior Plans after January 31, 2009, *plus*

one share for each share subject to an option right or SAR, and 1.75 shares for each share subject to another award, that is forfeited, expires or is settled for cash (in whole or in part) under the 2009 Incentive Plan or after January 31, 2009 under the Prior Plans. These shares may be of original issuance, treasury shares or other shares, or a combination of the foregoing.

Share Counting. Under the 2009 Incentive Plan, each share of Macy's common stock that is subject to an option right or SAR counts against the aggregate 2009 Incentive Plan limit as one share and each share of Macy's common stock that is subject to another award under the 2009 Incentive Plan counts against the aggregate 2009 Incentive Plan limit as 1.75 shares. The following shares of Macy's common stock will not increase the number of shares available for grant under the 2009 Incentive Plan:

Any shares of Macy's common stock tendered or relinquished by a participant or withheld by Macy's in full or partial payment of the exercise price of option rights or the full or partial satisfaction of tax withholding on any award;

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Macy's common stock subject to a SAR granted under either the 2009 Incentive Plan or the Prior Plans that is not issued when the SAR is exercised and settled in Macy's common shares; and

Macy's common stock reacquired by Macy's using cash proceeds from the exercise of option rights granted either under the 2009 Incentive Plan or the Prior Plans.

Shares of Macy's common stock issued as substitution awards in connection with Macy's merger with or acquisition of a company will not decrease the number of shares available for grant under the 2009 Incentive Plan, but shares of Macy's common stock subject to substitution awards will not be available for further awards under the 2009 Incentive Plan if the substitution awards are forfeited, expire or settled in cash. Macy's may use shares under a pre-existing, shareholder-approved plan of a company acquired by Macy's for awards under the 2009 Incentive Plan, which shares will not decrease the number of shares available for grant under the 2009 Incentive Plan, but such shares may only be used for grants of awards made prior to the expiration of the pre-existing plan and to persons who were not employees or directors of Macy's or any subsidiary prior to such acquisition.

2009 Incentive Plan and Per Person Limitations. The 2009 Incentive Plan places limitations on the number of shares of common stock that Macy's may issue or transfer in connection with certain awards (with such limits being subject to certain adjustments as provided for in the 2009 Incentive Plan):

ISOs. The aggregate number of shares of Macy's common stock actually issued upon the exercise of ISOs will not exceed 30,000,000 shares.

Option Rights and SARs. No participant will be granted option rights or SARs, in the aggregate, for more than 2,000,000 shares of Macy's common stock during any fiscal year of Macy's.

Restricted Stock, RSUs and Performance Shares. No participant will be granted Qualified Performance-Based Awards of restricted stock, RSUs or performance shares, in the aggregate, for more than 1,000,000 shares of Macy's common stock during any fiscal year of Macy's.

Incentive Awards. No participant will be granted a Qualified Performance-Based Award that is an Incentive Award for any performance period (as described below) for more than, in the aggregate, \$6 million.

No Repricing. Except in connection with an adjustment involving a corporate transaction or event as provided for in the 2009 Incentive Plan, the CMD Committee may not authorize the amendment of any outstanding option right or SAR to reduce the exercise or base price, and no outstanding option right or SAR may be cancelled in exchange for other awards, or cancelled in exchange for option rights or SARs having a lower exercise or base price, or cancelled in exchange for cash, without the approval of Macy's shareholders.

Types of Awards Authorized Under the 2009 Incentive Plan

Option Rights. Option rights may be granted that entitle the optionee to purchase shares of Macy's common stock at a price not less than market value per share as of the date of grant. Option rights may be granted as ISOs, nonqualified stock options, or combinations of the foregoing, but ISOs may be granted only

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to certain participants who meet the definition of "employee" under the Code. The maximum term for option rights is 10 years. Each grant of option rights will specify whether the exercise price is payable:

in cash or by check or wire transfer at the time of exercise;

by the transfer to Macy's of shares of Macy's common stock owned by the optionee;

by a combination of such payment methods; or

by such other methods as may be approved by the CMD Committee.

To the extent permitted by law, any grant of an option right may provide for deferred payment of the exercise price from the proceeds of sale through a broker of some or all of the shares of Macy's common stock to which the exercise relates.

Each grant will specify the period of continuous service with Macy's or any of its subsidiaries that is necessary before the option rights will become exercisable, and may provide for the earlier vesting of such option rights in the event of retirement, death, disability, a change in control, hardship or special circumstances affecting the optionee. Successive grants may be made to the same optionee whether or not option rights previously granted remain unexercised. No grant of option rights may provide for dividends, dividend equivalents or other similar distributions to be paid on such option rights.

SARs. A SAR is a right, exercisable by surrender of the SAR and the related option right (if granted in tandem with an option right) or by surrender of the SAR only (if granted as a free-standing SAR), to receive from Macy's an amount equal to the product of the number of shares of Macy's common stock subject thereto and up to 100% of the spread between the base price (or exercise price, if a tandem SAR) and the per share value of Macy's common stock on the date of exercise. The base price of a free-standing SAR may not be less than market value per share at the date of grant. Any grant may specify that the amount payable on exercise of a SAR may be paid by Macy's in cash, in shares of Macy's common stock, or in any combination thereof, in the discretion of the CMD Committee, and such amount may be capped by the CMD Committee at the time of grant. Any grant of tandem SARs may specify that, in the event of a change in control, the SAR and the related option right will be deemed automatically surrendered by the grantee, and Macy's will pay the grantee an amount equal to the product of the number of shares of Macy's common stock subject thereto and the spread between the exercise price and the per share value of Macy's common stock on the date of surrender. Tandem SARs may be exercised only when the related option right is also exercisable and when the spread is positive.

No SAR may be exercisable more than 10 years from the date of grant. Successive grants may be made to the same grantee of free-standing SARs whether or not free-standing SARs previously granted remain unexercised. No grant of SARs may provide for dividends, dividend equivalents or other similar distributions to be paid on such SARs.

Restricted Stock. A grant of restricted stock involves the immediate transfer by Macy's to a participant of ownership of a specified number of restricted shares of common stock in consideration of the performance of services. The transfer may be made without additional consideration or in consideration of a payment by the participant. The participant is entitled immediately to voting, dividend and other ownership rights in such shares; provided, however, that at least a portion of the restricted stock covered by such issuance or transfer must be subject to a substantial risk of forfeiture within the meaning of Section 83 of Code for a period to be determined by the CMD Committee at the date of grant or to the achievement of specified performance

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measures. If, for awards other than grants to non-employee directors, the restricted stock vests upon the passage of time rather than the achievement of performance measures, the period of time may not be shorter than three years (with the possibility of ratable vesting during such three-year period), except that grants to newly hired participants to replace forfeited awards granted by their former employers or grants as payment for earned performance awards may vest after one year. If the restricted stock vests upon the achievement of performance measures, the restrictions may not terminate sooner than one year after the date of grant. To enforce these forfeiture provisions, the transferability of restricted stock will be prohibited or restricted in a manner and to the extent prescribed in the applicable evidence of award for the period during which the forfeiture provisions are to continue. The CMD Committee may provide for early termination of the applicable restrictions in the event of retirement, death, disability, a change in control, hardship or special circumstances affecting the grantee. Dividends on restricted stock may be deferred and reinvested until the performance measures are achieved, provided that all dividends on restricted stock subject to the achievement of performance measures must be deferred and deemed reinvested until the restricted stock is earned. Restricted stock may be granted in certificated or uncertificated form.

RSUs. An RSU represents the right of the grantee of the RSU to receive from Macy's a payment upon or after vesting of the RSUs equal to the per share value of Macy's common stock as of the date of grant, vesting date, or other date determined by the CMD Committee at the date of grant of the RSU. At the discretion of the CMD Committee, RSUs may be settled in cash, shares of Macy's common stock or any combination thereof, and the amount due upon settlement may be capped by the CMD Committee at the time of grant. For awards other than grants to non-employee directors, the RSUs will be subject to forfeiture for a period of (1) at least one year following the date of grant in the case of RSUs that vest upon the achievement of performance measures or (2) at least three years following the date of grant in the case of any grant of RSUs that vest upon the passage of time rather than the achievement of performance measures (with the possibility of ratable vesting during such three-year period), except that grants to newly hired participants to replace forfeited awards granted by their former employers or grants as payment for earned performance awards may vest after one year. To enforce these forfeiture provisions, the transferability of RSUs will be prohibited in a manner and to the extent prescribed in the applicable evidence of award for the period during which the forfeiture provisions are to continue. RSUs may entitle the participant to receive credits for dividend equivalents, but not voting or other rights as a shareholder. Dividend equivalents on RSUs subject to the achievement of performance measures must be deferred and deemed reinvested until the performance measures are achieved. Awards of RSUs may be made without additional consideration. The CMD Committee may provide for early termination of the restriction period in the event of retirement, death, disability, a change in control, hardship or special circumstances affecting the grantee.

Incentive Awards and Performance Shares. An Incentive Award is a cash award based on performance measures where the performance period (as described below) is more than one year, and a performance share is the equivalent of one share of Macy's common stock. The performance period for performance shares may not be shorter than one year, unless otherwise determined by the CMD Committee. Each grant of Incentive Awards or performance shares will specify one or more performance measures that must be satisfied within a specified period (which Macy's refers to as the performance period) in order for the Incentive Awards or performance shares to be earned. The CMD Committee may provide for early termination or modification of the performance period in the event of retirement, death, disability, a change in control, hardship or special circumstances affecting the grantee.

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Each grant of Incentive Awards or performance shares will specify in respect of the relevant performance measures a level or levels of achievement and may set forth a formula for determining the number of Incentive Awards or performance shares that will be earned if performance is at or above the minimum or threshold level or levels, or is at or above the target level or levels, but falls short of maximum achievement of the specified performance measures. To the extent earned, the Incentive Awards or performance shares will be paid to the participant at the time and in the manner determined by the CMD Committee. Any grant may specify that the amount payable with respect thereto may be paid by Macy's in cash, shares of Macy's common stock or any combination thereof at the discretion of the CMD Committee, and such amount may be capped by the CMD Committee at the time of grant. At the CMD Committee's discretion, any award of performance shares may provide for the participant to receive dividend equivalents, but such dividend equivalents on performance shares must be deferred and deemed reinvested until the performance measures are achieved.

Other Awards. The CMD Committee may, subject to limitations under applicable law, grant to any participant other stock-based awards, which may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of Macy's common stock or factors that may influence the value of Macy's common stock. These factors may include, without limitation, convertible or exchangeable debt securities or other securities, purchase rights for shares of Macy's common stock, awards with value and payment contingent upon Macy's performance or the performance of Macy's subsidiaries, other affiliates or business units, or other factors determined by the CMD Committee. Other stock-based awards may also be valued by reference to the book value of Macy's common stock, or the value of the securities of, or performance of, specified subsidiaries, affiliates or other business units of Macy's. The CMD Committee will determine the terms and conditions of these awards. Shares of Macy's common stock delivered pursuant to these types of awards will be purchased for such consideration and paid for at such time, by such methods and in such forms as the CMD Committee determines. Cash awards, as an element of or supplement to any other award granted under the 2009 Incentive Plan, may also be granted. The CMD Committee may also grant shares of Macy's common stock as a bonus, or may grant other awards in lieu of Macy's obligations or the obligations of a subsidiary to pay cash or deliver other property under the 2009 Incentive Plan or under other plans or compensatory arrangements, subject to such terms as are determined by the CMD Committee in a manner that complies with Section 409A of the Code. Other stock-based awards are not required to be subject to any minimum vesting period.

Performance Measures. Performance measures are measurable performance objectives established by the CMD Committee for participants who have received awards under the 2009 Incentive Plan. Performance measures may be described in terms of either company-wide objectives or objectives that are related to the performance of the individual participant or of the subsidiary or division, segment, department, region or function within Macy's or a subsidiary in which the participant is employed. The performance measures may be relative to the performance of one or more other companies or an index. Performance measures applicable to any award or portion of an award that is intended to be a Qualified Performance-Based Award to a participant who is, or is determined by the CMD Committee to be likely to become, a covered employee within the meaning of Section 162(m) of the Code will be limited to specified levels of or growth or improvement in one or more of the following:

total sales;

comparable store sales;

gross margin;

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operating or other expenses;

earnings before interest and taxes;

earnings before interest, taxes, depreciation and amortization;

net income;

earnings per share (either basic or diluted);

cash flow;

return on investment (determined with reference to one or more categories of income or cash flow and one or more categories of assets, capital or equity, including return on net assets, return on sales, return on equity and return on invested capital);

stock price appreciation;

operating income;

net cash provided by operations;

total shareholder return;

customer satisfaction;

gross margin return on investment; and

inventory turn.

Each performance measure that is a financial measure for a Qualified Performance-Based Award will be determined in accordance with generally accepted accounting principles as consistently applied by Macy's. If the CMD Committee determines that a change in Macy's business, operations, corporate structure or capital structure, or the manner in which Macy's conducts business, or other events or circumstances render the performance measures unsuitable, the CMD Committee may in its discretion modify the performance measures or the minimum acceptable level of achievement, in whole or in part, as the CMD Committee deems appropriate and equitable (including to exclude the effects of extraordinary items, unusual or non-recurring events, cumulative effects of tax or accounting changes, discontinued operations, acquisitions, divestitures and material restructuring or asset impairment charges), except where such action would cause the award to fail to qualify as performance-based compensation within the meaning of Section 162(m) of the Code. In such case, the CMD Committee may not make any such modification of the performance measures or minimum acceptable level of achievement with respect to such covered employee.

Amendments. The Board may amend the 2009 Incentive Plan from time to time without further approval by Macy's shareholders, except where:

the amendment would increase:

the maximum number of shares of Macy's common stock that may be issued under the 2009 Incentive Plan;

the maximum number of shares of Macy's common stock that may be subject to option rights or SARs granted to any participant during any fiscal year of Macy's;

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the maximum number of shares of Macy's common stock that may be granted as Qualified Performance-Based Awards of restricted stock or performance shares or with respect to Qualified Performance-Based Awards of RSUs during any fiscal year of Macy's; or

the maximum amount of any Incentive Award that may be awarded for any performance period;

the amendment would cause Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, to become inapplicable to the 2009 Incentive Plan or awards granted under the 2009 Incentive Plan; or

shareholder approval is required by applicable law or NYSE rules and regulations.

The Board may not amend the repricing provisions referred to above under "No Repricing" without further approval by Macy's shareholders.

If permitted by Section 409A of the Code and, in the case of a Qualified Performance-Based Award, Section 162(m) of the Code, in case of a termination of employment by reason of death, disability or normal or early retirement, or in the case of hardship or other special circumstances, of a participant who holds an option right or SAR not immediately exercisable in full, or any restricted stock or RSUs as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Incentive Awards, performance shares or other stock-based awards that have not been fully earned, or who holds shares of Macy's common stock subject to any other transfer restriction imposed pursuant to the 2009 Incentive Plan, the CMD Committee may, in its sole discretion, take such action as it deems equitable in the circumstances or in the best interests of Macy's, including waiving or modifying any vesting, performance or other period, any performance measure or any other requirement, condition, restriction or limitation applicable to any such award.

Transferability. Except as otherwise determined by the CMD Committee, no award granted, issued or transferred under the 2009 Incentive Plan is transferable by a participant except (1) by will or the laws of descent and distribution, (2) pursuant to a qualified domestic relations order, or (3) to a fully revocable trust of which the participant is treated as the owner for federal income tax purposes, and in no event may any such award granted under the 2009 Incentive plan be transferred for value. Notwithstanding the foregoing, pursuant to terms and conditions established by the CMD Committee, awards will be transferable by a participant who at the time of such transfer is eligible to earn Long-Term Incentive (LTI) Awards under Macy's 1992 Incentive Bonus Plan, as amended (or any successor plan thereto), or to earn other long-term awards under another plan that limits eligibility to the same group as those who would be eligible for Long-Term Incentive (LTI) Awards, or is a non-employee director, without payment of consideration by the transferee, to any one or more members of the participant's immediate family (or to one or more trusts established solely for the benefit of one or more members of the participant's immediate family or to one or more partnerships in which the only partners are members of the participant's immediate family).

The CMD Committee may specify at the date of grant that part or all of the shares of Macy's common stock that are (1) to be issued or transferred by Macy's upon exercise of option rights or SARs or upon settlement of RSUs, performance shares or other stock-based awards or (2) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in the 2009 Incentive Plan with respect to restricted stock, will be subject to further restrictions on transfer.

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Adjustments. The number and kind of shares covered by outstanding awards under the 2009 Incentive Plan and, in the case of stock options and SARs, the exercise or base prices applicable thereto, must be adjusted as the CMD Committee, in its sole discretion exercised good faith, determines is equitably required to prevent dilution or enlargement of the rights of participants or optionees in the event of stock dividends, stock splits, combinations of shares, recapitalizations, other changes in Macy's capital structure, mergers, consolidations, spin-offs, split-offs, spin-outs, split-ups, reorganizations, liquidations, extraordinary cash dividends or other distributions of assets or issuances of rights or warrants to purchase securities, and similar events. In the event of any such transaction or event or in the event of a change in control of Macy's, the CMD Committee, in its discretion, may provide in substitution for any or all outstanding awards under the 2009 Incentive Plan such alternative consideration (including cash), if any, as it, in good faith, may determine to be equitable in the circumstances and may require the surrender of all awards so replaced in a manner that complies with Section 409A of the Code. In addition, for each option right or SAR with an exercise price or base price greater than the consideration offered in connection with any such transaction or event or change in control, the CMD Committee may in its sole discretion elect to cancel such option right or SAR without any payment to the person holding such option right or SAR. The CMD Committee shall also make or provide for such adjustments in the number of shares available under the 2009 Incentive Plan, including the individual participant limits described in the 2009 Incentive Plan, as the CMD Committee may determine appropriate to reflect any transaction or event described above, except that any such adjustment will be made only to the extent that it would not cause any option right intended to qualify as an ISO to fail to so qualify. Additionally, Macy's may eliminate fractional shares or settle fractional shares in cash.

Withholding Taxes. To the extent that Macy's is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the 2009 Incentive Plan, and the amounts available to Macy's for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the participant or such other person make arrangements satisfactory to Macy's for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of CMD Committee) may include relinquishment of a portion of such benefit. In certain circumstances, Macy's may withhold common shares that are deliverable to a participant to settle tax withholding obligations. Participants may elect to have common shares withheld by Macy's or may deliver other common shares to satisfy tax withholding obligations, but the value of any common shares withheld will not exceed the minimum amount of taxes required to be withheld.

Compliance with Section 409A of the Internal Revenue Code. To the extent applicable, it is intended that the 2009 Incentive Plan and any grants made thereunder comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the participants. The 2009 Incentive Plan and any grants made under the 2009 Incentive Plan shall be administered in a manner consistent with this intent.

Recoupment and Restrictive Covenants. Any evidence of award may allow Macy's to recoup all or any portion of an award if Macy's financial statements are required to be restated in connection with the participant's misconduct, and may include restrictive covenants that must be complied with during employment or within a specified period of time after termination of employment as a condition to receipt or retention of all or any portion of an award.

Termination. No grant will be made under the 2009 Incentive Plan more than 10 years after the date on which the 2009 Incentive Plan is first approved by Macy's shareholders, but all grants made on or prior to

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such 10-year anniversary of shareholder approval will continue in effect after such date subject to the terms thereof and of the 2009 Incentive Plan. Upon approval of the 2009 Incentive Plan by Macy's shareholders, no further grants will be made under the Prior Plans, but all outstanding awards under the Prior Plans will continue to be in effect subject to the terms thereof.

Federal Income Tax Consequences

The following is a brief summary of some of the federal income tax consequences of certain transactions under the 2009 Incentive Plan based on federal income tax laws in effect on January 1, 2009. This summary is not intended to be complete and does not describe state or local tax consequences. It is not intended as tax guidance to participants in the 2009 Incentive Plan.

Tax Consequences to Participants

Non-Qualified Option Rights. In general, (1) no income will be recognized by an optionee at the time a non-qualified option right is granted, (2) at the time of exercise of a non-qualified option right, ordinary income will be recognized by the optionee in an amount equal to the difference between the exercise price paid for the shares and the fair market value of the shares, if unrestricted, on the date of exercise, and (3) at the time of sale of shares acquired pursuant to the exercise of a non-qualified option right, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

Incentive Option Rights. No income generally will be recognized by an optionee upon the grant or exercise of an ISO. The exercise of an ISO, however, may result in alternative minimum tax liability. If shares of Macy's common stock are issued to the optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such optionee within two years after the date of grant or within one year after the transfer of such shares to the optionee, then upon sale of such shares, any amount realized in excess of the exercise price will be taxed to the optionee as a long-term capital gain and any loss sustained will be a long-term capital loss.

If shares of Macy's common stock acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the exercise price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

SARs. No income will be recognized by a participant in connection with the grant of a tandem SAR or a free-standing SAR. When the SAR is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the amount of cash received and the fair market value of any unrestricted shares of Macy's common stock received on the exercise.

Restricted Stock. The recipient of restricted stock generally will be subject to tax at ordinary income rates on the fair market value of the restricted stock (reduced by any amount paid by the participant for such restricted stock) at such time as the shares are no longer subject to forfeiture or restrictions on transfer for

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purposes of Section 83 of the Code, which Macy's refers to as the Restrictions. However, a recipient who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the Restrictions) over the purchase price, if any, of such restricted stock. If a Section 83(b) election has not been made, any dividends received with respect to restricted stock that is subject to the Restrictions generally will be treated as compensation that is taxable as ordinary income to the participant.

RSUs. No income generally will be recognized upon the award of RSUs. The recipient of an award of RSUs generally will be subject to tax at ordinary income rates on the fair market value of unrestricted shares of Macy's common stock on the date that such shares are transferred to the participant under the award (reduced by any amount paid by the participant for such RSUs), and the capital gains/loss holding period for such shares will also commence on such date.

Incentive Awards and Performance Shares. No income generally will be recognized upon the grant of performance shares. Upon payment in respect of the earn-out of Incentive Awards or performance shares, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the amount of cash received and the fair market value of any unrestricted shares of Macy's common stock received.

Tax Consequences to Macy's or a Subsidiary

To the extent that a participant recognizes ordinary income in the circumstances described above, Macy's or the subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Code and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Code.

Registration with the SEC

Macy's intends to file a Registration Statement on Form S-8 relating to the issuance of shares of Macy's common stock, par value \$0.01 per share, under the 2009 Incentive Plan with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, as soon as is practicable after approval of the 2009 Incentive Plan by Macy's shareholders.

New 2009 Incentive Plan Benefits

Because awards to be granted in the future under the 2009 Incentive Plan are at the discretion of the CMD Committee, it is not possible to determine the benefits or the amounts to be received under the 2009 Incentive Plan by Macy's directors, officers or employees.

For grants made during Macy's fiscal year 2008 to Macy's named executive officers, please see the 2008 Grants of Plan-Based Awards table on page 70.

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Equity Compensation Plan Information

For information about Macy's equity compensation plans (other than qualified employee benefits plans and plans available to shareholders on a pro rata basis) as of December 31, 2008, please see the table under "Stock Ownership - Securities Authorized for Issuance Under Equity Compensation Plans" and related disclosure on page 7.

Voting Recommendation

The Board unanimously recommends a vote FOR adoption of the Macy's, Inc. 2009 Omnibus Incentive Compensation Plan.

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ITEM 4. SHAREHOLDER PROPOSAL REGARDING SIMPLE MAJORITY VOTE

Mr. William Steiner, 112 Abbottsford Gate, Piermont, NY 10968, the beneficial owner of 1,500 shares of Macy's common stock, has advised Macy's that he intends to propose a resolution at the annual meeting. Mr. Steiner has appointed Mr. John Chevedden of 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278 and/or Mr. Chevedden's designee to act on his behalf relating to the proposed resolution. Mr. Steiner's proposed resolution and statement in support thereof are set forth below:

Proposal 4 Adopt Simple Majority Vote

RESOLVED, Shareholders request that our board take the steps necessary so that each shareholder voting requirement in our charter and bylaws, that calls for a greater than simple majority vote, be changed to a majority of the votes cast for and against related proposals in compliance with applicable laws. This includes each 80% shareholder voting provision in our charter and/or bylaws.

Statement of William Steiner

Currently a 1%-minority can frustrate the will of our 79%-shareholder majority. Our supermajority vote requirements can be almost impossible to obtain when one considers abstentions and broker non-votes. For example, a Goodyear (GT) management proposal for annual election of each director failed to pass even though 90% of votes cast were yes-votes. Supermajority requirements are arguably most often used to block initiatives supported by most shareowners but opposed by management.

The Council of Institutional Investors www.cii.org recommends adoption of simple majority voting. This proposal topic also won up to 89% support at the following companies in 2008:

Whirlpool (WHR)	Ray T. Chevedden (Sponsor)
Lear Corp. (LEA)	John Chevedden
Liz Claiborne (LIZ)	Kenneth Steiner

The merits of this Simple Majority Vote proposal should also be considered in the context of the need to initiate improvements in our company's corporate governance and in individual director performance. For instance in 2008 the following governance and performance issues were identified:

The Corporate Library www.thecorporatelibrary.com, an independent investment research firm, rated our company: High Concern in Executive Pay 634,000 options in 2007 for Terry Lundgren (good profit potential simply from market swings).

Our directors served on 11 boards rated D or F by The Corporate Library www.thecorporatelibrary.com, an independent investment research firm:

Stephen Bollenbach	Time Warner (TWX)
Stephen Bollenbach	American International Group (AIG)
Stephen Bollenbach	KB Home (KBH) F-rated

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Joyce Roché	AT&T (T)
Joyce Roché	Anheuser-Busch (BUD)
Joyce Roché	Tupperware (TUP)
Meyer Feldberg	PRIMEDIA (PRM)
Meyer Feldberg	Revlon (REV)
Joseph Neubauer	Verizon (VZ)
Joseph Neubauer	Wachovia (WB)
Sara Levinson	Harley-Davidson (HOG)

Directors on D-rated boards held 9 of 16 seats on our key board committees of audit, nomination and executive pay.

Three directors had more than 15-years tenure (independence concern) and held 5 of 16 seats on our key board committees:
Meyer Feldberg

Joseph Neubauer

Karl von der Heyden

Marna Whittington