UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: March 25, 2010
Date of earliest event reported: March 19, 2010

MACY'S, INC.

7 West Seventh Street, Cincinnati, Ohio 45202
(513) 579-7000

-and-

151 West 34th Street, New York, New York 10001
(212) 494-1602

Delaware	1-13536	13-3324058
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

1. Executive Compensation Program

On March 19, 2010, the Compensation and Management Development (CMD) Committee of the Board of Directors (and the non-employee members of the Board of Directors with respect to Mr. Lundgren) of Macy's, Inc. (the "Company") approved a new compensation program for executives at the most senior level, including the Named Executives. The Named Executives in the Company's 2009 proxy statement were Terry Lundgren, Karen Hoguet, Thomas Cole, Janet Grove, and Susan Kronick. The Named Executives in the Company's 2010 proxy statement will be Terry Lundgren, Karen Hoguet, Julie Greiner, Ronald Klein and Susan Kronick.

Annual Bonus Program. The CMD Committee redesigned the annual incentive bonus program to provide the CMD Committee with flexibility to exercise discretion with respect to bonus payments in a way that satisfies the requirements of Section 162(m) of the Internal Revenue Code. Under the redesigned program, the CMD Committee has established a bonus program under which the maximum bonus award payable to any participant will be based on a percentage of EBIT (earnings before interest and taxes) achieved for a fiscal year. For purposes of determining performance results, EBIT may be adjusted to eliminate the effects of asset impairments, restructurings, discontinued operations, extraordinary items, acquisitions, divestitures, other unusual or non-recurring items and the cumulative effect of tax or accounting changes, as determined in accordance with generally accepted accounting principles, as applicable.

The maximum bonus award for fiscal 2010 will be 0.45% of EBIT for Mr. Lundgren and 0.25% of EBIT for each of the

other Named Executives. No bonus, however, can exceed the 1992 Incentive Bonus Plan's (the "1992 Bonus Plan") per person maximum of $7 million. If EBIT for fiscal 2010, as adjusted as described above, is negative, none of the Named Executives will receive a bonus. In addition, no bonus will be payable if the Company does not achieve a net profit for the year, excluding the effects of asset impairments, restructurings, discontinued operations, extraordinary items, acquisitions, divestitures, other unusual or non-recurring items and the cumulative effect of tax or accounting changes, as determined in accordance with generally accepted accounting principles, as applicable.

At the end of fiscal 2010, if the CMD Committee determines that EBIT is a positive number, the CMD Committee will use the percentages of EBIT discussed above to determine the maximum bonus awards that could be payable to the Named Executives for fiscal 2010. The CMD Committee then has the discretion to reduce, but not to increase, those bonus payouts. The CMD Committee may reduce the maximum bonus awards based on the annual incentive award opportunity for each Named Executive under the 1992 Bonus Plan and the Company's overall performance during the fiscal year measured against pre-established financial goals that are set within the first 90 days of the fiscal year or on such alternative factors, if any, as it may deem appropriate. The CMD Committee has determined that EBIT, Sales and Cash Flow performance measures will be the primary measures of annual performance for fiscal 2010 under the 1992 Bonus Plan, weighted 53.3%, 33.3% and 13.3% respectively.

For fiscal 2010, the CMD Committee has set the following individual annual incentive award opportunities for the Named Executives:

	Bonus as a % of Base Pay		
Position	**Threshold**	**Target**	**Outstanding**
Chief Executive Officer.....	40%	150%	390%
Other Named Executives.....	20%	75%	195%

The threshold and target award opportunities are consistent with fiscal 2009 threshold and target award opportunities. For fiscal 2009, there was no cap on the maximum opportunity for the EBIT component of the annual bonus. For fiscal 2010, the CMD Committee determined that it was appropriate to cap the maximum opportunity for the EBIT component for consistency with the approach taken with respect to the other components of the annual bonus and with prevailing market practice.

Long-Term Incentive Compensation Program. The CMD Committee approved design changes to the Company's long-term incentive compensation program. The CMD Committee established a target amount for total long-term compensation for fiscal 2010 for each Named Executive consistent with prior year opportunities and determined that the Named Executives would receive 40% of the value of their long-term incentive award in stock options and 60% in performance shares. Performance shares are grants of restricted stock units under the Company's 2009 Omnibus Incentive Compensation Plan (the "2009 Plan") that vest after the performance period only if predetermined performance goals are met by the Company.

The number of performance shares that a Named Executive will earn at the end of the 2010-2012 performance period may vary from zero to 150% of the target award, based upon consideration of the Company's three-year performance relative to EBITDA (earnings before interest, taxes, depreciation and amortization) Margin and ROIC (return on invested capital) goals and subject to achievement of a pre-determined minimum required three-year cumulative EBITDA goal. "Cumulative EBITDA" is defined as earnings before interest, taxes, depreciation and amortization earned over the three-year performance period as derived from the financial statements included in the Company's Form 10-K, adjusted to eliminate the effects of asset impairments, restructurings, discontinued operations, extraordinary items, acquisitions, divestitures, other unusual or non-recurring items, and the cumulative effect of tax or accounting changes, as determined in accordance with generally accepted accounting principles, as applicable.

If the minimum cumulative EBITDA goal for the performance period is not achieved, the award is not funded. If the minimum required cumulative EBITDA goal for the performance period is achieved, the maximum award of 150% of the target award of performance shares is funded. The CMD Committee may then exercise negative discretion to adjust the maximum funded award to the actual number of performance shares to be paid to each Named Executive based on the Company's performance against EBITDA Margin and ROIC objectives for the three-year performance period, weighted 70% and 30% respectively.

The Named Executives received the following number of performance shares and stock options on March 19, 2010:

	Target Performance Shares (#)	**Stock Options (#)**
T. Lundgren.....	173,192	169,025
K. Hoguet.....	38,056	37,140
T. Cole.....	38,056	37,140
J. Greiner.....	38,056	37,140
J. Grove.....	38,056	37,140
R. Klein.....	38,056	37,140
S. Kronick.....	0	0

The forms of stock option and performance restricted stock unit agreements under the 2009 Plan are filed as Exhibits 10.1 and 10.2, respectively, to this Form 8-K. The forms of time-based restricted stock and time-based restricted stock unit

agreements for grants that can be made under the 2009 Plan are also filed as Exhibits 10.3 and 10.4, respectively, to this Form 8-K.

2. Employment Agreement Amendment.

On March 19, 2009, the Board of Directors, upon the recommendation of the CMD Committee, approved an amendment to the employment agreement of Terry Lundgren, the Company's Chief Executive Officer. The amendment amends the description of the Annual Bonus in Exhibit A to the employment agreement to be consistent with the changes to the annual bonus program described above and includes an amended Schedule 1 to such Exhibit A.

The description of the amendment to Mr. Lundgren's employment agreement contained herein is qualified in its entirety by reference to the full text of the amendment which is filed as Exhibit 10.5 to this Form 8-K and incorporated by reference

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Form of Nonqualified Stock Option Agreement under the 2009 Omnibus Incentive Compensation Plan

10.2 Form of Performance-Based Restricted Stock Unit Agreement under the 2009 Omnibus Incentive Compensation Plan

10.3 Form of Time-Based Restricted Stock Agreement under the 2009 Omnibus Incentive Compensation Plan

10.4 Form of Time-Based Restricted Stock Unit Agreement under the 2009 Omnibus Incentive Compensation Plan

10.5 Amendment to Employment Agreement between Terry J. Lundgren and Macy's, Inc., dated March 19, 2010

MACY'S, INC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MACY'S, INC.

Dated: March 25, 2010

By /s/ Joel A. Belsky
Name: Joel A. Belsky
Title: Executive Vice President and Controller

Index to Exhibits

Index Number	
10.1	Form of Nonqualified Stock Option Agreement under the 2009 Omnibus Incentive Compensation Plan
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10.3	Form of Time-Based Restricted Stock Agreement under the 2009 Omnibus Incentive Compensation Plan
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10.5	Amendment to Employment Agreement between Terry J. Lundgren and Macy's, Inc., dated March 19, 2010

Exhibit 10.1

NONQUALIFIED STOCK OPTION AGREEMENT

This AGREEMENT (the "Agreement") is made as of **<ISSUE DATE>** (the "Date of Grant") by and between MACY'S, INC., a Delaware corporation (the "Company"), and **<NAME>** (the "Optionee").

1. **Grant of Stock Option**. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Company's 2009 Omnibus Incentive Compensation Plan (the "Plan"), as amended from time to time, the Company hereby grants to the Optionee as of the Date of Grant a stock option (the "Option") to purchase **<SHARES>** Common Shares (the "Optioned Shares"). The Option may be exercised from time to time in accordance with the terms of this Agreement. The price at which the Optioned Shares may be purchased pursuant to this Option shall be <**$GRANT PRICE>** per share subject to adjustment as hereinafter provided (the "Option Price"). The Option is intended to be a nonqualified stock option and shall not be treated as an "incentive stock option" within the meaning of that term under Section 422 of the Code, or any successor provision thereto.

2. **Term of Option**. The term of the Option (the "Term") shall commence on the Date of Grant and, unless earlier terminated in accordance with Section 7 hereof, shall expire at the close of business on the date which is ten (10) years from the Date of Grant.

3. **Right to Exercise**. Subject to the expiration or earlier termination of the Option as provided herein, on **<DATE>** and on each of the first, second and third anniversary of such date, the number of Optioned Shares equal to twenty-five percent (25%) multiplied by the initial number of Optioned Shares specified in this Agreement shall vest (become exercisable) on a cumulative basis until the Option is fully exercisable. To the extent the Option is exercisable, it may be exercised in whole or in part. In no event shall the Optionee be entitled to acquire a fraction of an Optioned Share pursuant to this Option.

4. **Limitations on Transfer of Option**.

(a) The Option granted hereby shall be neither transferable nor assignable by the Optionee other than

(i) upon death, by will or by the laws of descent and distribution,
(ii) pursuant to a qualified domestic relations order, or
(iii) to a fully revocable trust to which the Optionee is treated as the owner for federal income tax purposes,

and may be exercised, during the lifetime of the Optionee, only by the Optionee, or in the event of his or her legal incapacity, by his or her guardian or legal representative acting on behalf of the Optionee in a fiduciary capacity under state law and court supervision.

(b) Notwithstanding Section 4(a), the Option or any interest therein may be transferred by the Optionee, without payment of consideration therefore by the transferee, to any one or more members of the immediate family of the Optionee (as defined in Rule 16a-1(e) under the Securities Exchange Act of 1934), or to one or more trusts established solely for the benefit of one or more members of the immediate family of the Optionee or to one or more partnerships in which the only partners are such members of the immediate family of the Optionee. No transfer under this Section 4(b) will be effective until notice of such transfer is delivered to the Company describing the terms and conditions of the proposed transfer, and the Company determines that the proposed transfer complies with the terms of the Plan and this Agreement and with any terms and conditions made applicable to the transfer by the Company or Board at the time of the proposed transfer. Any transferee under this Section 4(b) shall be subject to the same terms and conditions hereunder as would apply to the Optionee and to such other terms and conditions made applicable to the transferee pursuant to this Agreement or by the Board. Any purported transfer that does not comply with the requirements of this Section 4(b) shall be void and unenforceable against the Company and the purported transferee shall not obtain any rights to or interest in the Option.

(c) Notwithstanding anything to the contrary contained in any Non-Qualified Stock Option Agreement previously entered into between the Company and the Optionee covering the grant of stock options by the Company to the Optionee, all such stock options previously granted to Optionee by the Company shall be transferable consistent with the terms and conditions applicable to the transfer of the Option as contained herein.

5. **Notice of Exercise; Payment**. To the extent then exercisable, the Option may be exercised by written notice to the Company stating the number of Optioned Shares for which the Option is being exercised and the intended manner of payment. As a further condition precedent to the exercise of this Option, the Optionee shall comply with all regulations and the requirements of any regulatory authority having control of, or supervision over, the issuance of Common Shares and in connection therewith shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

(a) Payment equal to the aggregate Option Price of the Optioned Shares being exercised shall be tendered in full with the notice of exercise to the Company in cash in the form of currency or check or other cash equivalent acceptable to the Company. As soon as practicable after receipt of such notice, but in any event no later than thirty (30) days after receipt, the Company shall direct the due issuance of the Optioned Shares so purchased.

(b) With the agreement of the Company, the requirement of payment in cash shall be deemed satisfied if the Optionee makes arrangements that are satisfactory to the Company with a broker that is a member of the National Association of Securities Dealers, Inc. to sell a sufficient number of Optioned Shares which are being purchased pursuant to the exercise, so that the net proceeds of the sale transaction will at least equal the amount of the aggregate Option Price, plus interest at the "applicable Federal rate" within the meaning of that term under Section 1274 of the Code, or any successor provision thereto, for the period from the date of exercise to the date of payment, and pursuant to which the broker undertakes to deliver to the Company the amount of the aggregate Option Price, plus such interest, not later than the date on which the sale transaction will settle in the ordinary course of business (this payment mechanism is referred to as the "Cashless Exercise Program").

(c) In the event that the Company does not have a Cashless Exercise Program in effect at the time the Company receives notice of exercise from the Optionee, the Optionee may also tender the Option Price by (i) the actual or constructive transfer to the Company of nonforfeitable, non-restricted Common Shares that have been owned by the Optionee for more than six (6) months prior to the date of exercise, or (ii) by any combination of the foregoing methods of payment, including a partial tender in cash and a partial tender in nonforfeitable, nonrestricted Common Shares. Nonforfeitable, nonrestricted Common Shares that are transferred by the Optionee in payment of all or any part of the Option Price shall be valued on the basis of their Market Value per Share.

6. **Termination of Agreement**. Except as provided in Section 7 below, this Agreement and the Option granted hereby shall terminate automatically and without further notice, and, accordingly, any and all rights granted to Optionee and any and all obligations undertaken by the Company hereunder with regard to any vested but unexercised Optioned Shares shall terminate at the end of the Term of the Option. Optioned Shares that are not exercised prior to the end of the Term of the Option are immediately forfeited and may no longer be exercised.

7. **Vesting and Exercisability Following Certain Events**. Subject to Section 6 above, the Optionee (or his or her guardian, legal representative, estate or beneficiary, as applicable) shall have the right to exercise the Option following the occurrence of certain events, as follows:

(a) Termination of Employment Without Cause. Except as otherwise provided in Sections 7(c) through 7(i) below, or as provided on a case-by-case basis by the Board, if the Optionee's employment with the Company is terminated without cause (as hereafter defined in Section 20), any vested, but unexercised Optioned Shares shall continue to be exercisable through the earlier to occur of ninety (90) days following the effective date of such termination of employment or the expiration of the Term of the Option. Any Optioned Shares that were not vested as of the effective date of such termination are forfeited.

(b) Termination of Employment for Cause. In the event that the Optionee's employment with the Company is terminated for cause (as hereafter defined in Section 20), all Optioned Shares (vested or unvested) shall immediately be forfeited as of the effective date of such termination.

(c) Death During Active Employment of Optionee Under Age 55 or With Less Than 10 Years of Vesting Service. If the Optionee is under the age of 55, or at any age with less than ten (10) years of vesting service, and dies while in the employ of the Company, all unvested Optioned Shares vest and become immediately exercisable in full. Those Optioned Shares and any other vested, but unexercised Optioned Shares shall continue to be exercisable through the earlier to occur of three (3) years after the Optionee's death or the expiration of the Term of the Option.

(d) Death During Active Employment of Optionee Age 55-61 With at Least 10 Years of Vesting

Service. If the Optionee is age 55 to 61 with at least ten (10) years of vesting service and dies while in the employ of the Company, all unvested Optioned Shares vest and become immediately exercisable in full. Those Optioned Shares shall continue to be exercisable through the earlier to occur of three (3) years after the Optionee's death or the expiration of the Term of the Option. Any vested, but unexercised Optioned Shares as of the date of death shall continue to be exercisable through the expiration of the Term of the Option.

(e) Death During Active Employment of Optionee Age 62 or Over With at Least 10 Years of Vesting Service. If the Optionee is age 62 or over with at least ten (10) years of vesting service and dies while in the employ of the Company, all unvested Optioned Shares vest and become immediately exercisable in full. Those Optioned Shares and any vested, but unexercised Optioned Shares as of the date of death shall continue to be exercisable through the expiration of the Term of the Option.

(f) Death Within 90 Days Following Termination of Employment of Optionee Under Age 55 or With Less Than 10 Years of Vesting Service. If the Optionee is under the age of 55, or at any age with less than ten (10) years of vesting service, and dies within ninety (90) days after termination of employment, all vested, but unexercised Optioned Shares as of the date of death shall continue to be exercisable through the earlier to occur of ninety (90) days after the date of the Optionee's death or the expiration of the Term of the Option. Provided, however, that if the Optionee's death occurs within one (1) year of the Date of Grant, the Option shall terminate upon the date of death.

(g) Retirement. If the Optionee retires under a Company sponsored IRS qualified retirement plan

(i) at age 55 through 61 with at least ten (10) years of vesting service, then

(1) any vested, but unexercised Optioned Shares as of the effective date of such retirement shall continue to be exercisable through the expiration of the Term of the Option; and

(2) any Optioned Shares that were not vested as of the effective date of such retirement are forfeited; and

(ii) at age 62 or over with at least ten (10) years of vesting service, then

(1) any vested, but unexercised Optioned Shares as of the effective date of such retirement shall continue to be exercisable through the expiration of the Term of the Option; and

(2) any Optioned Shares that were not vested as of the effective date of such retirement shall continue to vest in accordance with Section 3 above, and shall be exercisable through the expiration of the Term of the Option;

provided, however, that if the Optionee is a party to an employment agreement with the Company immediately prior to such retirement and renders personal services to a Competing Business (as hereafter defined) in a manner, including, without limitation, as owner, partner, director, trustee, officer, employee, consultant or adviser thereto at any time within one year following such retirement, then all Option Shares (vested and unvested) shall be forfeited as of the first date on which such engagement commenced. The provisions of this Section 7(g) continue to apply if the Optionee dies following retirement.

(h) Disability. If the Optionee becomes permanently and totally disabled while an active employee of the Company, all unvested Optioned Shares vest and become immediately exercisable in full. Those Optioned Shares and any other vested, but unexercised Optioned Shares shall continue to be exercisable through the expiration of the Term of the Option.

(i) Termination Following a Change in Control. If, within the twenty-four (24) month period following a Change in Control (as hereafter defined in Section 20), the Optionee's employment is terminated by the Company without Cause (as hereafter defined in Section 20) or if the Optionee voluntarily terminates employment with Good Reason (as hereafter defined in Section 20), then all unvested Optioned Shares vest and become immediately exercisable in full. Those Optioned Shares and any other vested, but unexercised Optioned Shares shall continue to be exercisable through the earlier to occur of ninety (90) days following termination of employment or expiration of the Term of the Option. Provided, however, that

if the Optionee is over age 55 and has at least ten (10) years of vesting service as of the effective date of such termination, the provisions of Section 7(g) governing exercisability of vested, but unexercised Optioned Shares following retirement shall apply.

For the purposes of this Agreement, the continuous employment of the Optionee with the Company shall not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of his employment among the Company, its Subsidiaries, divisions and affiliates, or a leave of absence approved by the Company.

8. **No Employment Contract**. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to continuance of employment by the Company, nor limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Optionee.

9. **Taxes and Withholding**. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the exercise of the Option, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to such exercise that the Optionee pay the tax or make provisions that are satisfactory to the Company for the payment thereof. In the case of the exercise of an Option that has been transferred pursuant to Section 4(b), no Optioned Shares shall be issued by the Company unless the exercise of the Option is accompanied by sufficient payment, as determined by the Company, to satisfy any applicable withholding tax obligations or by other arrangements satisfactory to the Company to provide for such payment.

10. **Compliance with Law.** The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

11. **Adjustments**. The Board may make or provide for such adjustments in the number of Optioned Shares covered by this Option, in the Option Price applicable to such Option, and in the kind of shares covered thereby, as the Board may determine is equitably required to prevent dilution or enlargement of the Optionee's rights that otherwise would result from a) any stock dividend, stock split, combination of shares, recapitalization, or other change in the capital structure of the Company, b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation, or other distribution of assets or issuance of rights or warrants to purchase securities, or c) any other corporate transaction or event having an effect similar to any of the foregoing; provided however, that no such adjustment in the number of Optioned Shares will be made unless such adjustment would change by more than 5% the number of Optioned Shares issuable upon exercise of this Option; provided, further, however, that any adjustment which by reason of this Section 11 is not required to be made currently will be carried forward and taken into account in any subsequent adjustment. In the event of any such transaction or event, the Board may provide in substitution for this Option such alternative consideration as it may determine to be equitable in the circumstances and may require in connection therewith the surrender of this Option.

12. **Availability of Common Shares**. The Company shall at all times until the expiration of the Option reserve and keep available, either in its treasury or out of its authorized but unissued Common Shares, the full number of Optioned Shares deliverable upon the exercise of this Option.

13. **Relation to Other Benefits**. Any economic or other benefit to the Optionee under this Agreement shall not be taken into account in determining any benefits to which the Optionee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

14. **Amendments**. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Optionee under this Agreement without the Optionee's consent.

15. **Severability**. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

16. **Relation to Plan.**

(a) General. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Board acting pursuant to the Plan shall, except as expressly provided otherwise herein, have the right to determine the response to any questions which arise in connection with this Option or its exercise. All references in this Agreement to the "Company" shall be deemed to include, unless the context in which it is used suggests otherwise, its subsidiaries, divisions and affiliates.

(b) Compliance with Section 409A of the Code**.** The Company and the Optionee acknowledge that, to the extent applicable, it is intended that the options covered by this option agreement comply with the provisions of Section 409A of the Code, and the options shall be administered in a manner consistent with this intent. Any amendments made to comply with Section 409A of the Code may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of the Optionee. Any reference herein to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

17. **Successors and Assigns**. Subject to Section 4 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Optionee including any transferee pursuant to Section 4(b), and the successors and assigns of the Company; provided, however, that a transferee pursuant to Section 4(b) shall not transfer the Option other than by will or by the laws of descent and distribution unless the Company consents in writing to such transfer.

18**.** **Governing Law**. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof.

19. **Notices**. Any notice to the Company provided for herein shall be in writing to the Company, marked to the attention of the Corporate Controller at 7 West Seventh Street, Cincinnati, Ohio 45202 and any notice to the Optionee shall be addressed to said Optionee at his or her address currently on file with the Company. Except as otherwise provided herein, any written notice shall be deemed to be duly given if and when delivered personally or deposited in the United States mail, first class registered mail, postage and fees prepaid, and addressed as aforesaid. Any party may change the address to which notices are to be given hereunder by written notice to the other party as herein specified (provided that for this purpose any mailed notice shall be deemed given on the third business day following deposit of the same in the United States mail).

20. **Definitions**.

(a) "*Cause*" shall mean the Optionee shall have committed prior to termination of employment any of the following acts:

(i) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with the Optionee's duties or in the course of the Optionee's employment;

(ii) intentional wrongful damage to material assets of the Company;

(iii) intentional wrongful disclosure of material confidential information of the Company;

(iv) intentional wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty;

(v) intentional breach of any stated material employment policy of the Company; or

(vi) intentional neglect by the Optionee of the Optionee's duties and responsibilities.

(b) "*Competing Business*" shall mean

(i) any of the following named companies, or any other business into which such company is merged, consolidated, or otherwise combined:

Abercrombie & Fitch	The Gap	Ross Stores
Bed, Bath & Beyond	J.C. Penney	Saks
Belk's	Kohl's	Sears
Burlington Coat Factory	Limited Brands	Target
Bon-Ton Stores	Nordstrom	TJX
Dillard's	Neiman-Marcus	Walmart

or

(ii) any retailer that (1) had annual revenues for its most recently completed fiscal year of at least $2.5 billion; and (2) both (i) offers a category or categories of merchandise (e.g., Fine Jewelry, Cosmetics, Kids, Big Ticket, Housewares, Men's, Dresses), any of which are offered by the Company (and its subsidiaries, divisions or controlled affiliates), and (ii) the revenue derived by such other retailer during such retailer's most recently ended fiscal year from such category or categories of merchandise represent(s) , in the aggregate, more than 50% f the Company's (and its subsidiaries, divisions or controlled affiliates) total revenues for the most recently completed fiscal year derived from the same category or categories of merchandise.

(c) "*Change in Control*" shall mean the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Voting Stock"); provided, however, that for purposes of this subsection (i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board (as defined in subsection (ii) below); (B) any acquisition of Voting Stock by any entity in which the Company, directly or indirectly, beneficially owns 50% or more ownership or other equity interest (a "Subsidiary"); (C) any acquisition of Voting Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; or (D) any acquisition of Voting Stock by any Person pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; provided further, that: (X) if any Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a transaction described in clause (A) of this subsection (i), and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than in an acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition will be treated as a Change in Control; and (Y) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions approved by a majority of the Incumbent Board unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; or

(ii) Individuals who, on the effective date of the Plan, constitute the Board of Directors of the Company (as modified by this subsection (ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company (the "Board"); provided, however, that any individual becoming a director after the effective date of the Plan whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board such effective date, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Voting Stock, (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(d) "*Good Reason*" shall mean:

(i) a material diminution in the Optionee's base compensation;

(ii) a material diminution in the Optionee's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Optionee must perform the Grantee's services; or

(iv) any other action or inaction that constitutes a material breach by the Company of an agreement under which the Optionee provides services.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and Optionee has also executed this Agreement in duplicate, as of the day and year first above written.

MACY'S, INC.

By: _____
Dennis J. Broderick

Title: Executive Vice President and General Counsel

_____

Optionee

Exhibit 10.2

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

This AGREEMENT (the "Agreement") made as of _____(the "Date of Grant") by and between MACY'S, INC., a Delaware corporation (the "Company"), and _____ (the "Grantee").

1. **Grant of Performance-Based Restricted Stock Units**. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Company's 2009 Omnibus Incentive Compensation Plan (the "Plan"), as amended from time to time, the Company hereby grants to the Grantee a "Target" award of [**insert target number of Performance Units**] Performance-Based Restricted Stock Units ("Performance Units"). Each Performance Unit represents the right to receive one share of the common stock of the Company ("Common Stock"), subject to the terms and conditions set forth below.

2. **Limitations on Transfer of Performance Units; Performance Period.**

(a) During the Performance Period hereinafter described, the Performance Units may not be transferred, sold, pledged, exchanged, assigned or otherwise encumbered or disposed of by the Grantee, except to the Company, until they are earned and become nonforfeitable ("Vest") in accordance with Section 3; provided, however, that the Grantee's interest in the Performance Units may be transferred at any time by will or the laws of descent and distribution.

(b) The Performance Period shall commence on January 31, 2010 (the "Commencement Date") and, except as otherwise provided in this Agreement, will expire in full on February 2, 2013.

3. **Vesting of Performance Units.**

(a) Subject to potential reduction as set forth in Section 3(b) below, one hundred and fifty percent (150%) of the Target award of Performance Units will be Vested on the date ("Vesting Date") that the Compensation Committee certifies that the Company has achieved a Cumulative EBITDA (as defined below) level of at least $7 billion over the Performance Period, provided that the Grantee is continuously employed by the Company through the Vesting Date. If the Company does not achieve a Cumulative EBITDA level of at least $7 billion over the Performance Period, then all Performance Units are forfeited as of the end of the Performance Period. In all cases the Compensation Committee shall certify whether the Company has achieved the specified level of Cumulative EBITDA as soon as administratively feasible following the end of the Performance Period but in no event later than two and a half months following the end of the Performance Period.

(i) "Cumulative EBITDA" is defined as Earnings Before Interest, Taxes, Depreciation and Amortization, which is equal to the sum of operating income and depreciation and amortization as reported in the Company's financial statements included in its annual Form 10-K, adjusted to eliminate the effects of asset impairments, restructurings, discontinued operations, extraordinary items, acquisitions, divestitures, other unusual or non-recurring items, and the cumulative effect of tax or accounting changes, as determined in accordance with generally accepted accounting principles, as applicable.

(b) The actual number of Performance Units that become Vested based on achieving the level of Cumulative EDITDA during the Performance Period may be reduced by the Compensation Committee in its sole and absolute discretion based on such factors as the Compensation Committee determines to be appropriate and/or advisable including without limitation the Company's achievement of EBITDA Margin and Return on Invested Capital ("ROIC") goals for the Performance Period. It is the current intention of the Compensation Committee that the Compensation Committee will exercise its discretion to reduce the number of Performance Units that will Vest based on the Company's achievement of the EBITDA Margin and ROIC goals during the Performance Period, weighted 70% and 30% respectively, as set forth in the following schedule. However, the Compensation Committee reserves the right to deviate from such schedule based on achievement of EBITDA Margin and ROIC and may adjust the number of Performance Units that Vest based on such other factors as the Compensation Committee in its sole and absolute discretion determines to be appropriate and/or advisable; provided, however, that it is the intention of the Compensation Committee that it will deviate from such EBITDA Margin and ROIC schedule only in extreme and unusual circumstances.

	EBITDA Margin (70%)		ROIC (30%)	
Performance Level*	**3-year Average**	**Vesting Percentage**	**3-year Average**	**Vesting Percentage**
Outstanding	≥12.8%	150%	≥18.8%	150%
Target	12.3%	100%	17.8%	100%
Threshold	11.8%	50%	16.8%	50%
Below Threshold	<11.8%	0%	<16.8%	0%

*Straight-line interpolation will apply to performance levels between the ones shown.

(i) "EBITDA Margin" is defined as EBITDA (as adjusted as described in Section 3(a) above) divided by Net Sales (as reported in the Company's financial statements included in its annual Form 10-K). EBITDA Margin will be measured on a three-year average basis (i.e., the average of fiscal 2010, fiscal 2011 and fiscal 2012 annual EBITDA Margin).

(ii) "Return on Invested Capital" is defined as EBITDAR (EBITDA, adjusted as described above, plus Net Rent Expense) divided by Total Average Gross Investment. Net Rent Expense represents rent expense as reported in the Company's financial statements included in its Form 10-K less the deferred rent amortization related to contributions received from landlords. Total Average Gross Investment is equal to the sum of Gross Property, Plant and Equipment (PPE) plus Capitalized Value of Non-Capitalized Leases plus Working Capital plus Other Assets, each as reported in the Company's financial statements in the

applicable Form 10-K or Form 10-Q. Gross PPE will be determined using a two-point average (i.e., beginning and end of year). Capitalized Value of Non-Capitalized Leases will be calculated as 8 x Net Rent Expense. Working Capital components and Other Assets will be determined using a four-point (i.e., quarterly) average. ROIC will be measured on a three-year average basis (i.e., the average of fiscal 2010, fiscal 2011 and fiscal 2012 annual ROIC).

4. **Forfeiture of Performance Units.** (a) Termination of Employment**.** Notwithstanding the provisions of Section 3 above, and except as the Board may determine on a case-by-case basis or as provided below, all unvested Performance Units shall be forfeited if the Grantee ceases to be continuously employed by the Company for any reason at any time prior to the end of the Performance Period. For the purposes of this Agreement the continuous employment of the Grantee with the Company shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of the Grantee's employment among the Company and its Subsidiaries, divisions or affiliates or a leave of absence approved by the Company. In the event of a termination for cause (as hereafter defined), all unvested Performance Units shall be immediately forfeited.

(b) Death, disability or retirement. Notwithstanding the provisions of Section 3 above, and except as the Board may determine on a case-by-case basis or as provided below, in the event the Grantee retires on or after age 62 with at least 10 years of service, dies or becomes permanently and totally disabled during the Performance Period, the Grantee (or his or her estate, as appropriate) will receive at the end of the Performance Period the percentage of Performance Units determined under Section 3 above, prorated from the Commencement Date through the date of such retirement, death or disability based on the number of completed months of service during the Performance Period divided by 36.

(c) Change in Control. In the event of a Change in Control (as hereafter defined), Performance Units will convert to time-based restricted stock without proration for the percentage of the Performance Period that has elapsed since the Commencement Date, as follows:

(i) If the Change in Control occurs prior to the 24-month anniversary of the Commencement Date, then 100% of the Target award number of Performance Units shall convert to time-based restricted stock;

(ii) If the Change in Control occurs after the 24-month anniversary of the Commencement Date, the conversion of Performance Units to time-based restricted stock will be based on the Company's performance determined under Section 3 above from the Commencement Date through the first 24 months of the Performance Period, plus the Company's performance determined under Section 3 above during any completed fiscal quarter thereafter to the date of the Change in Control.

(iii) The vesting of the time-based restricted stock as so converted:

- Will be accelerated if, within the 24-month period following the Change in Control, the Grantee is terminated by the Company or the continuing entity without cause or if the Grantee voluntarily terminates employment with Good Reason;
- Will be accelerated at the Change in Control if awards are not assumed or replaced by the acquiror/continuing entity on terms deemed by the Compensation Committee to be appropriate; and
- Will occur on the third anniversary of the Date of Grant, if Vesting has not otherwise been accelerated as provided above.

5. **Dividend, Voting and Other Rights**. Except as otherwise provided herein, prior to Vesting the Grantee shall not have any of the rights of a stockholder with respect to the Performance Units, including the right to vote any of the Performance Units. An amount representing dividends payable on shares of Common Stock equal in number to one hundred and fifty percent (150%) of the Target award of Performance Units on a dividend record date shall be deemed reinvested in Common Stock and credited to the Grantee as restricted stock units as of the dividend payment date. If there is any change in the outstanding Common Stock of the Company by reason of a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company, the Compensation Committee shall determine the appropriate adjustment to the Performance Units, if any, needed to reflect such change. Any restricted stock units or additional Performance Units credited to the Grantee pursuant to this Section 5 will be subject to the terms and restrictions set forth in this Agreement.

6. **Settlement of Performance Units**. As soon as administratively feasible following the end of the Performance Period and certification by the Compensation Committee as to the level of achievement of the Cumulative EBITDA, EBITDA Margin and ROIC performance goals, but in no event later than two and a half months after the end of the Performance Period, the Company shall cause to be paid to the Grantee:

(i) a number of shares of unrestricted Common Stock equal to the number of Performance Units to which the Grantee is entitled, with a cash component representing fractional shares, if any, plus

(ii) a number of shares of Common Stock equal to the number of restricted stock units attributed to earned dividend equivalents on those Performance Units, with a cash component representing fractional shares, if any.

Such shares of Common Stock shall be credited as book entry shares to the Grantee's trading account, unless the Grantee requests stock certificates, in which case the Company shall deliver to the Grantee stock certificates representing such Common Stock. In the event Performance Units are not earned, those Performance Units, and the related restricted stock units attributed to dividend equivalents on those Performance Units, shall be forfeited.

7. **Clawback**. In the event that, within three years of the end of the Performance Period, the Company restates its financial results with respect to the Company's performance during the Performance Period to correct a material error that the

Compensation Committee determines is the result of fraud or intentional misconduct, then the Grantee shall repay to the Company all income, if any, derived from the Performance Units.

8. **No Employment Contract**. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company, or limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

9. **Taxes and Withholding**. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the issuance or Vesting of any Performance Units or the issuance of any unrestricted shares of Common Stock or other securities following Vesting pursuant to this Agreement, it shall be a condition to such Vesting or issuance that the Grantee pay the tax or make provisions that are satisfactory to the Company for the payment thereof. Unless the Grantee makes alternative arrangements satisfactory to the Company prior to the Vesting of the Performance Units or the issuance of shares of unrestricted Common Stock, as the case may be, the Grantee will satisfy the minimum statutory tax withholding obligations by surrendering to the Company a portion of the shares of nonforfeitable and unrestricted Common Shares that are issued or transferred to the Grantee hereunder following the Vesting Date, and the shares of Common Stock so surrendered by the Grantee shall be credited against any such withholding obligation at the Market Value per Share of such shares of Common Stock on the Vesting Date.

10. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any Performance Units or shares of unrestricted Common Stock or other securities pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

11. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

12. **Amendments**. Any Amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

13. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

14. **Relation to Plan; Miscellaneous**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. All references in this Agreement to the Company shall be deemed to include, unless the context in which it is used suggests otherwise, its subsidiaries, divisions and affiliates.

15. **Successors and Assigns**. Subject to Section 2 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee and the successors and assigns of the Company.

16. **Governing Law**. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

17. **Definitions**.

(a) "cause" shall mean that the Grantee has committed prior to termination of employment any of the following acts:

(i) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with the Grantee's duties or in the course of the Grantee's employment;

(ii) intentional wrongful damage to material assets of the Company;

(iii) intentional wrongful disclosure of material confidential information of the Company;

(iv) intentional wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty;

(v) intentional breach of any stated material employment policy of the Company; or

(vi) intentional neglect by the Grantee of the Grantee's duties and responsibilities.

(b) "Good Reason" shall mean:

(i) a material diminution in the Grantee's base compensation;

(ii) a material diminution in the Grantee's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Grantee must perform the Grantee's services; or

(iv) any other action or inaction that constitutes a material breach by the Company of an agreement under which the Grantee provides services.

(c) "Change in Control" shall mean the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Voting Stock"); provided, however, that for purposes of this subsection (i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board (as defined in subsection (ii) below); (B) any acquisition of Voting Stock by any entity in which the Company, directly or indirectly, beneficially owns 50% or more ownership or other equity interest (a "Subsidiary"); (C) any acquisition of Voting Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; or (D) any acquisition of Voting Stock by any Person pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; provided further, that: (X) if any Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a transaction described in clause (A) of this subsection (i), and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than in an acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition will be treated as a Change in Control; and (Y) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions approved by a majority of the Incumbent Board unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; or

(ii) Individuals who, on the effective date of the Plan, constitute the Board of Directors of the Company (as modified by this subsection (ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company (the "Board"); provided, however, that any individual becoming a director after the effective date of the Plan whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board such effective date, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Voting Stock, (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and Grantee has also executed this Agreement in duplicate, as of the day and year first above written.

MACY'S, INC.

By: _____
Dennis J. Broderick
Title: Executive Vice President, General Counsel and Secretary

_____
_____, Grantee

Exhibit 10.3

TIME-BASED RESTRICTED STOCK AGREEMENT

This AGREEMENT (the "Agreement") made as of _____ (the "Date of Grant") by and between MACY'S, INC., a Delaware corporation (the "Company"), and _____ (the "Grantee").

1. **Grant of Restricted Stock**. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Company's 2009 Omnibus Incentive Compensation Plan (the "Plan"), as amended from time to time, the Company hereby grants to the Grantee as of the Date of Grant _____ shares of common stock of the Company ("Restricted Stock"). The Restricted Stock shall be fully paid and nonassessable.

2. **Limitations on Transfer of Restricted Stock.**

(a) The shares of Restricted Stock may not be transferred, sold, pledged, exchanged, assigned or otherwise encumbered or disposed of by the Grantee, except to the Company, until they vest (i.e., become nonforfeitable) in accordance with Section 3; provided, however, that the Grantee's interest in the Restricted Stock may be transferred at any time by will or the laws of descent and distribution;

(b) Notwithstanding Section 4(a), the shares of Restricted Stock or any interest therein may be transferred by the Grantee, without payment of consideration therefor by the transferee, to any one or more members of the immediate family of the Grantee (as defined in Rule 16a-1(e) under the Securities Exchange Act of 1934), or to one or more trusts established solely for the benefit of one or more members of the immediate family of the Grantee or to one or more partnerships in which the only partners are such members of the immediate family of the Grantee. No transfer under this Section 2(b) will be effective until notice of such transfer is delivered to the Company describing the terms and conditions of the proposed transfer, and the Company determines that the proposed transfer complies with the terms of the Plan and this Agreement and with any terms and conditions made applicable to the transfer by the Company or Board at the time of the proposed transfer. Any transferee under this Section 2(b) shall be subject to the same terms and conditions hereunder as would apply to the Grantee and to such other terms and conditions made applicable to the transferee pursuant to this Agreement or by the Board or the Company. Any purported transfer that does not comply with the requirements of this Section 2(b) shall be void and unenforceable against the Company, and the purported transferee shall not obtain any rights to or interest in the Restricted Stock.

(c) Notwithstanding anything to the contrary contained in any Restricted Stock Agreement previously entered into between the Company and the Grantee covering the grant of Restricted Stock by the Company to the Grantee, all such Restricted Stock previously granted to Grantee by the Company shall be transferable consistent with the terms and conditions applicable to the transfer of the shares of Restricted Stock as contained herein.

3. **Vesting of Restricted Stock.**

(a) Subject to Section 4 below, if the Grantee remains continuously employed by the Company, the shares of Restricted Stock shall vest on the dates set forth below (the "Vesting Date"):

Vesting Date	Number of Shares that Vest on such Vesting Date

For the purposes of this Agreement the continuous employment of the Grantee with the Company shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of the Grantee's employment among the Company and its Subsidiaries, divisions or affiliates or a leave of absence approved by the Company.

(b) Notwithstanding the provisions of Section 3(a),

(i) all of the unvested shares of Restricted Stock shall immediately vest in the event of the Grantee's death or permanent and total disability while in the employ of the Company; and

(ii) all of the unvested shares of Restricted Stock shall immediately vest if, within the twenty-four (24) month period following a Change in Control (as hereafter defined) of the Company, the Grantee's employment is terminated by the Company without cause (as hereafter defined) or if the Grantee voluntarily terminates employment with Good Reason (as hereafter defined).

4. **Forfeiture of Restricted Stock.** Subject to Section 3(b), and except as the Board may determine on a case-by-case basis, all shares of Restricted Stock that have not yet vested shall be forfeited if the Grantee ceases to be continuously employed by the Company at any time prior to the applicable Vesting Date. In the event of a forfeiture, the certificate(s) representing the shares of Restricted Stock shall be canceled if the Restricted Stock was issued to Grantee in certificated form, or the shares of Restricted Stock shall be deducted from the Grantee's account if the Restricted Stock was issued in book entry or electronic form. In the event of a termination for cause (as hereafter defined), all unvested shares of Restricted Stock shall be immediately forfeited.

5. **Dividend, Voting and Other Rights**. Except as otherwise provided herein, the Grantee shall have all of the rights of a stockholder with respect to the shares of Restricted Stock, including the right to vote such shares and receive any dividends that may be paid thereon; provided, however, that any additional Common Shares or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be subject to the same restrictions as the shares of Restricted Stock.

6. **Retention and Issuance of Stock by the Company**.

(a) The Restricted Stock shall be issued in book entry form, but may, at the direction of the Compensation and Management Development Committee of the Board of Directors (the "Compensation Committee"), be issued in other electronic form or in certificated form. Shares of Restricted Stock issued in certificated form shall be registered in the name of the Grantee and shall bear a legend referring to the restrictions set forth in this Agreement. Such certificates shall be held in custody by the Treasurer of the Company, together with a stock power endorsed in blank by the Grantee with respect thereto, until those shares have vested in accordance with Section 3. In order for the Grant under this Agreement to be effective, the Grantee must sign and return the attached stock powers to the attention of the Company Controller at 7 West Seventh Street, Cincinnati, Ohio 45202.

(b) Upon the vesting of the Restricted Stock, the Company shall cause Common Shares without the restrictions referred to in Section 2 ("unrestricted Common Shares") to be issued to the Grantee. Such unrestricted Common Shares shall be credited as book entry shares to the Grantee's trading account, unless the Grantee requests stock certificates, in which case the Company shall deliver to the Grantee stock certificates representing such unrestricted Common Shares.

7. **No Employment Contract**. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company, or limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

8. **Taxes and Withholding**. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the issuance or vesting of any Restricted Stock or unrestricted Common Shares or other securities pursuant to this Agreement, it shall be a condition to such vesting or issuance that the Grantee pay the tax or make provisions that are satisfactory to the Company for the payment thereof. Unless the Grantee makes alternative arrangements satisfactory to the Company prior to the issuance or vesting of the Restricted Stock, as the case may be, the Grantee will satisfy such withholding obligations by surrendering to the Company a portion of the unrestricted Common Shares that are issued or transferred to the Grantee hereunder as of the Vesting Date, and the unrestricted Common Shares so surrendered by the Grantee shall be credited against any such withholding obligation at the Market Value per Share of such shares on the Vesting Date.

9. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any Restricted Stock or unrestricted Common Shares or other securities pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

11. **Amendments**. Any Amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

12. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

13. **Relation to Plan; Miscellaneous**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. All references in this Agreement to the Company shall be deemed to include, unless the context in which it is used suggests otherwise, its subsidiaries, divisions and affiliates.

14. **Successors and Assigns**. Subject to Section 2 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee including any transferee pursuant to Section 2(b), and the successors and assigns of the Company; provided, however, that a transferee pursuant to Section 2(b) shall not transfer shares of Restricted Stock other than by will or by the laws of descent and distribution unless the Company consents in writing to such transfer.

15. **Governing Law**. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

16. **Definitions**.

(a) "cause" shall mean that the Grantee has committed prior to termination of employment any of the following acts:

(i) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with the Grantee's duties or in the course of the Grantee's employment;

(ii) intentional wrongful damage to material assets of the Company;

(iii) intentional wrongful disclosure of material confidential information of the Company;

(iv) intentional wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty;

(v) intentional breach of any stated material employment policy of the Company; or

(vi) intentional neglect by the Grantee of the Grantee's duties and responsibilities.

(b) "Good Reason" shall mean:

(i) a material diminution in the Grantee's base compensation;

(ii) a material diminution in the Grantee's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Grantee must perform the Grantee's services; or

(iv) any other action or inaction that constitutes a material breach by the Company of an agreement under which the Grantee provides services.

(c) "Change in Control" shall mean the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Voting Stock"); provided, however, that for purposes of this subsection (i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board (as defined in subsection (ii) below); (B) any acquisition of Voting Stock by any entity in which the Company, directly or indirectly, beneficially owns 50% or more ownership or other equity interest (a "Subsidiary"); (C) any acquisition of Voting Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; or (D) any acquisition of Voting Stock by any Person pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; provided further, that: (X) if any Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a transaction described in clause (A) of this subsection (i), and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than in an acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition will be treated as a Change in Control; and (Y) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions approved by a majority of the Incumbent Board unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; or

(ii) Individuals who, on the effective date of the Plan, constitute the Board of Directors of the Company (as modified by this subsection (ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company (the "Board"); provided, however, that any individual becoming a director after the effective date of the Plan whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board such effective date, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power

of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such Business Combination, of the Voting Stock, (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and Grantee has also executed this Agreement in duplicate, as of the day and year first above written.

MACY'S, INC.

By: _____
Dennis J. Broderick
Title: Executive Vice President, General Counsel and Secretary

_____
_____, Grantee

Exhibit 10.4

TIME-BASED RESTRICTED STOCK UNIT AGREEMENT

This AGREEMENT (the "Agreement") made as of _____ (the "Date of Grant") by and between MACY'S, INC., a Delaware corporation (the "Company"), and _____ (the "Grantee").

1. **Grant of Restricted Stock Units**. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Company's 2009 Omnibus Incentive Compensation Plan (the "Plan"), as amended from time to time, the Company hereby grants to the Grantee as of the Date of Grant _____ Restricted Stock Units. Each Restricted Stock Unit represents the right to receive one share of the common stock of the Company ("Common Stock"), subject to the terms and conditions set forth below.

2. **Limitations on Transfer of Restricted Stock Units.**

(a) The Restricted Stock Units may not be transferred, sold, pledged, exchanged, assigned or otherwise encumbered or disposed of by the Grantee, except to the Company, until they vest (i.e., become nonforfeitable) in accordance with Section 3; provided, however, that the Grantee's interest in the Restricted Stock Units may be transferred at any time by will or the laws of descent and distribution;

(b) Notwithstanding Section 4(a), the Restricted Stock Units or any interest therein may be transferred by the Grantee, without payment of consideration therefor by the transferee, to any one or more members of the immediate family of the Grantee (as defined in Rule 16a-1(e) under the Securities Exchange Act of 1934), or to one or more trusts established solely for the benefit of one or more members of the immediate family of the Grantee or to one or more partnerships in which the only partners are such members of the immediate family of the Grantee. No transfer under this Section 2(b) will be effective until notice of such transfer is delivered to the Company describing the terms and conditions of the proposed transfer, and the Company determines that the proposed transfer complies with the terms of the Plan and this Agreement and with any terms and conditions made applicable to the transfer by the Company or Board at the time of the proposed transfer. Any transferee under this Section 2(b) shall be subject to the same terms and conditions hereunder as would apply to the Grantee and to such other terms and conditions made applicable to the transferee pursuant to this Agreement or by the Board or the Company. Any purported transfer that does not comply with the requirements of this Section 2(b) shall be void and unenforceable against the Company, and the purported transferee shall not obtain any rights to or interest in the Restricted Stock Units.

(c) Notwithstanding anything to the contrary contained in any Restricted Stock Unit Agreement previously entered into between the Company and the Grantee covering the grant of Restricted Stock Units by the Company to the Grantee, all such Restricted Stock Units previously granted to Grantee by the Company shall be transferable consistent with the terms and conditions applicable to the transfer of the shares of Restricted Stock Units as contained herein.

3. **Vesting of Restricted Stock Units.**

(a) If the Grantee remains continuously employed by the Company, the Grantee shall become vested in the Restricted Stock Units on the vesting date(s) set forth below (the "Vesting Date"):

Vesting Date	Number of Units that Vest on such Vesting Date

For the purposes of this Agreement the continuous employment of the Grantee with the Company shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company, by reason of the transfer of the Grantee's employment among the Company and its Subsidiaries, divisions or affiliates or a leave of absence approved by the Company.

(b) Notwithstanding the provisions of Section 3(a),

(i) all unvested Restricted Stock Units shall immediately vest in the event of the Grantee's death or permanent and total disability while in the employ of the Company; and

(ii) all unvested Restricted Stock Units shall immediately vest if, within the twenty-four (24) month period following a Change in Control (as hereafter defined), the Grantee's employment is terminated by the Company without cause (as hereafter defined) or if the Grantee voluntarily terminates employment with Good Reason (as hereafter defined).

4. **Forfeiture of Restricted Stock Units.** Subject to Section 3(b), and except as the Board may determine on a case-by-case basis, all unvested Restricted Stock Units shall be forfeited if the Grantee ceases to be continuously employed by the Company at any time prior to the applicable Vesting Date. In the event of a termination for cause (as hereafter defined), all unvested Restricted Stock Units shall be immediately forfeited.

5. **Dividend, Voting and Other Rights**. Except as otherwise provided herein, the Grantee shall have none of the rights of a stockholder, including the right to vote any or all of the Restricted Stock Units, prior to the vesting of the Restricted Stock Units as set forth in Section 3 above. An amount representing dividends payable on shares of Common Stock equal in number to the Restricted Stock Units held by the Grantee on a dividend record date shall be deemed reinvested in Common Stock and credited as additional Restricted Stock Units as of the dividend payment date. If there is any change in the outstanding Common Stock of the Company by reason of a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company, the Compensation Committee shall determine the appropriate adjustment to the Restricted Stock Units, if any, needed to reflect such change. Any additional Restricted Stock Units credited to the Grantee pursuant to this Section 5 will be subject to the terms and restrictions set forth in this Agreement.

6. **Settlement of Restricted Stock Units**. Promptly on or after the Vesting Date, and upon the satisfaction of any withholding tax liability pursuant to Section 8 hereof, the Company shall issue to the Grantee a number of shares of unrestricted Common Stock equal to the number of Restricted Stock Units that vested on that Vesting Date and the additional Restricted Stock Units representing dividend equivalents relating to such vested Restricted Stock Units. Such shares of Common Stock shall be credited as book entry shares to the Grantee's trading account, unless the Grantee requests stock certificates, in which case the Company shall deliver to the Grantee stock certificates representing such Common Stock.

7. **No Employment Contract**. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company, or limit or affect in any manner the right of the Company to terminate the employment or adjust the compensation of the Grantee.

8. **Taxes and Withholding**. If the Company shall be required to withhold any federal, state, local or foreign tax in connection with the issuance or vesting of any Restricted Stock Units or the issuance of any unrestricted shares of Common Stock or other securities following vesting pursuant to this Agreement, it shall be a condition to such vesting or issuance that the Grantee pay the tax or make provisions that are satisfactory to the Company for the payment thereof. Unless the Grantee makes alternative arrangements satisfactory to the Company prior to the vesting of the Restricted Stock Units or the issuance of shares of unrestricted Common Stock, as the case may be, the Grantee will satisfy the minimum statutory tax withholding obligations by surrendering to the Company a portion of the shares of nonforfeitable and unrestricted Common Shares that are issued or transferred to the Grantee hereunder following the Vesting Date, and the shares of Common Stock so surrendered by the Grantee shall be credited against any such withholding obligation at the Market Value per Share of such shares on the Vesting Date.

9. **Compliance with Law**. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, notwithstanding any other provision of this Agreement, the Company shall not be obligated to issue any Restricted Stock Units or shares of unrestricted Common Stock or other securities pursuant to this Agreement if the issuance thereof would result in a violation of any such law.

10. **Relation to Other Benefits**. Any economic or other benefit to the Grantee under this Agreement shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company.

11. **Amendments**. Any Amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

12. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

13. **Relation to Plan; Miscellaneous**. This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistent provisions between this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. All references in this Agreement to the Company shall be deemed to include, unless the context in which it is used suggests otherwise, its subsidiaries, divisions and affiliates.

14. **Successors and Assigns**. Subject to Section 2 hereof, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee including any transferee pursuant to Section 2(b), and the successors and assigns of the Company; provided, however, that a transferee pursuant to Section 2(b) shall not transfer any Restricted Stock Units other than by will or by the laws of descent and distribution unless the Company consents in writing to such transfer.

15. **Governing Law**. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Delaware.

16. **Definitions**.

(a) "cause" shall mean that the Grantee has committed prior to termination of employment any of the following acts:

(i) an intentional act of fraud, embezzlement, theft, or any other material violation of law in connection with the Grantee's duties or in the course of the Grantee's employment;

(ii) intentional wrongful damage to material assets of the Company;

(iii) intentional wrongful disclosure of material confidential information of the Company;

(iv) intentional wrongful engagement in any competitive activity that would constitute a material breach of the duty of loyalty;

(v) intentional breach of any stated material employment policy of the Company; or

(vi) intentional neglect by the Grantee of the Grantee's duties and responsibilities.

(b) "Good Reason" shall mean:

(i) a material diminution in the Grantee's base compensation;

(ii) a material diminution in the Grantee's authority, duties or responsibilities;

(iii) a material change in the geographic location at which the Grantee must perform the Grantee's services; or

(iv) any other action or inaction that constitutes a material breach by the Company of an agreement under which the Grantee provides services.

(c) "Change in Control" shall mean the occurrence of any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Voting Stock"); provided, however, that for purposes of this subsection (i), the following acquisitions will not constitute a Change of Control: (A) any acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board (as defined in subsection (ii) below); (B) any acquisition of Voting Stock by any entity in which the Company, directly or indirectly, beneficially owns 50% or more ownership or other equity interest (a "Subsidiary"); (C) any acquisition of Voting Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; or (D) any acquisition of Voting Stock by any Person pursuant to a transaction that complies with clauses (A), (B) and (C) of subsection (iii) below; provided further, that: (X) if any Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a transaction described in clause (A) of this subsection (i), and such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than in an acquisition of Voting Stock directly from the Company that is approved by a majority of the Incumbent Board or other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally, such subsequent acquisition will be treated as a Change in Control; and (Y) a Change in Control will not be deemed to have occurred if a Person is or becomes the beneficial owner of 30% or more of the Voting Stock as a result of a reduction in the number of shares of Voting Stock outstanding pursuant to a transaction or series of transactions approved by a majority of the Incumbent Board unless and until such Person thereafter becomes the beneficial owner of any additional shares of Voting Stock, and after obtaining such additional beneficial ownership beneficially owns 30% or more of the Voting Stock, other than as a result of a stock dividend, stock split or similar transaction effected by the Company in which all holders of Voting Stock are treated equally; or

(ii) Individuals who, on the effective date of the Plan, constitute the Board of Directors of the Company (as modified by this subsection (ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of the Company (the "Board"); provided, however, that any individual becoming a director after the effective date of the Plan whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board such effective date, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) The consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (each, a "Business Combination"), unless, in each case, immediately following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Voting Stock immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to such

Business Combination, of the Voting Stock, (B) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer, and Grantee has also executed this Agreement in duplicate, as of the day and year first above written.

MACY'S, INC.

By: _____
Dennis J. Broderick
Title: Executive Vice President, General Counsel and Secretary

_____
_____, Grantee

REVISED
EXHIBIT A

to

EMPLOYMENT AGREEMENT

Dated as of March 1, 2007 between

TERRY J. LUNDGREN

AND

MACY'S, INC.

Name: Terry J. Lundgren

End of Term: February 28, 2011

Annual Base Compensation: $1,500,000.00

Revised Annual Bonus: The annual bonus payable (if any) under the terms of the 1992 Incentive Bonus Plan (as such may be amended from time to time) (the "Plan") of Macy's, Inc. ("Macy's") will be based on achievement of positive EBIT for the applicable fiscal year. If positive EBIT is achieved, a maximum annual bonus of 0.45% of EBIT is payable to Employee, subject to the per person maximum of $7 million set forth in the Plan. The Board of Directors of Macy's or a Committee thereof may exercise negative discretion to reduce the maximum annual bonus, utilizing performance goals established for the senior executives of the Employer on an annual basis by the Board of Directors of Macy's or a Committee thereof, with the amount of bonus payable equal to a sliding percent of Employee's annual base compensation in effect as of the last day of the performance period based on performance against the targeted annual goals.

Such sliding percent, and the targeted annual goals are set out in Amended Schedule 1 hereto.

TERRY J. LUNDGREN **MACY'S, INC.**

/s/ Terry J. Lundgren /s/ Dennis J. Broderick

Dennis J. Broderick, Executive Vice President

Dated: March 19, 2010

AMENDED SCHEDULE 1 TO EXHIBIT A TO EMPLOYMENT AGREEMENT DATED AS OF MARCH 1, 2007 BETWEEN TERRY J. LUNDGREN AND MACY'S, INC.

Component	Threshold	Point at which incremental rate changes	Target	Outstanding
Consolidated EBIT $	**85% of plan** **16% of salary**	**95% of plan** **48% of salary**	**100% of plan** **80% of salary**	**120% of plan** **240% of salary**
Consolidated Sales $	**98% of plan** **16% of salary**		**100 % of plan** **50% of salary**	**101% of plan** **110% of salary**
Consolidated	**$50 million**	**$25 million**	**100% of plan**	**$150 million**

Cash Flow $	**below plan** **8% of salary**	**below plan** **12% of salary**	**20% of salary**	**above plan** **40% of salary**