**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 (Date of earliest event reported): September 3, 2013

**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 2.03. Creating a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

On September 6, 2013, Macy's, Inc. ("Macy's") and its wholly owned subsidiary, Macy's Retail Holdings, Inc. ("Macy's Holdings"), entered into the Fifth Supplemental Trust Indenture (the "Fifth Supplemental Indenture") to an indenture, dated as of January 13, 2012 (the "Base Indenture" and, together with the Fifth Supplemental Indenture, the "Indenture"), among Macy's Holdings, as issuer, Macy's, as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in connection with the offer and sale of $400 million aggregate principal amount of Macy's Holdings' 4.375% Senior Notes due 2023 (the "senior notes"), which are fully and unconditionally guaranteed by Macy's.

Macy's Holdings will pay interest on the senior notes on each March 1 and September 1, beginning on March 1, 2014. The senior notes will mature on September 1, 2023. Before June 1, 2023, Macy's Holdings may, at any time, redeem the senior notes at a redemption price equal to 100% of the principal amount of such series, plus a "make whole" premium described in the Indenture. On or after June 1, 2023, Macy's Holdings may redeem the senior notes at par, plus accrued and unpaid interest.

Upon the occurrence of both (i) a change of control of Macy's and (ii) within a specified period in relation to the change of control, a downgrade of the senior notes by at least two of Fitch Ratings, Inc., Moody's Investors Service, Inc. and Standard & Poor's Ratings Services and being rated below an investment grade rating by at least two of such rating agencies, Macy's Holdings will be required to make an offer to purchase the senior notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase.

The senior notes are subject to the covenants in the Indenture, which include limitations on liens, limitations on sale and leaseback transactions, limitations on sales of assets, and limitations on merger and consolidation.

The Indenture contains customary events of default, including: (a) failure to pay principal or premium, if any, on any senior note when due; (b) failure to pay any interest on any senior note for 30 days after the interest becomes due; (c) failure to redeem or repurchase any senior note when required to do so; (d) Macy's Holdings' failure to perform, or its breach of, any other covenant in the Indenture for 60 days after written notice thereof; (e) nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other indebtedness of Macy's Holdings or any of its restricted subsidiaries, the unpaid principal amount of which is not less than $100 million, which default results in the acceleration of the maturity of the indebtedness; (f) the entry of any final judgment or order against Macy's Holdings, Macy's or any of their restricted subsidiaries, which judgment or order creates a liability of $100 million or more in excess of insured amounts and which has not been stayed, vacated, discharged, or otherwise satisfied for a period of 60 days; (g) Macy's guarantee ceases to be in full force and effect; and (h) specified events of bankruptcy, insolvency or reorganization involving Macy's Holdings, Macy's or any significant subsidiary (or group of subsidiaries that would constitute a significant subsidiary) of Macy's or Macy's Holdings.

If an event of default resulting from specified events involving bankruptcy, insolvency or reorganization occurs, the Indenture provides that the principal of, premium, if any, and accrued interest on the senior notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holder of the senior notes. If any other event of default occurs and is continuing, the Indenture provides that either the Trustee or the holders of at least 25% in principal amount of the outstanding senior notes of a series may declare the principal amount of all the senior notes of that series to be due and payable immediately.

The foregoing disclosure is qualified in its entirety by reference to the Base Indenture and the Fifth Supplemental Indenture, which are included as Exhibit 4.1 and Exhibit 4.2 hereto, respectively, and are incorporated herein by reference.

In connection with the offering of the senior notes, Macy's is filing other exhibits to this Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits:

| Exhibit Number | Description |
|---|---|
| 1.1 | Underwriting Agreement, dated September 3, 2013, among Macy's Retail Holdings, Inc., Macy's, Inc. and the underwriters named therein. |

| | |
|---|---|
| 4.1 | Indenture, dated as of January 13, 2012, among Macy's Retail Holdings, Inc., as issuer, Macy's, Inc., as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated herein by reference to Exhibit 4.1 to Macy's, Inc.'s Current Report on Form 8-K (File No. 001-13536) filed on January 13, 2012) |
| 4.2 | Fifth Supplemental Trust Indenture, dated as of September 6, 2013, among Macy's Retail Holdings, Inc., as issuer, Macy's, Inc., as guarantor, and The Bank of New York Mellon Trust Company, N.A., as trustee |
| 5.1 | Opinion of Jones Day |
| 12.1 | Statement Regarding Computation of Ratio of Earnings to Fixed Charges |
| 23.1 | Consent of Jones Day (included in Exhibit 5.1 hereof) |

**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: September 6, 2013

By: /s/ Dennis J. Broderick
Name: Dennis J. Broderick
Title: Executive Vice President, General Counsel and Secretary

**INDEX TO EXHIBITS**

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**Exhibit 1.1**

**MACY'S RETAIL HOLDINGS, INC., COMPANY**

**MACY'S, INC., GUARANTOR**

**4.375% SENIOR NOTES DUE 2023**

**Underwriting Agreement**

**September 3, 2013**

Credit Suisse Securities (USA) LLC
J.P. Morgan Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,
as Representatives of the several Underwriters

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
One Bryant Park
New York, NY 10036

Ladies and Gentlemen:

Macy's Retail Holdings, Inc., a New York corporation (the " *Company*"), proposes, subject to the terms and conditions stated herein, to issue and sell to you (the "*Underwriters*") an aggregate of $400,000,000 principal amount of its 4.375% Senior Notes due 2023 (the "*Notes*") with the guarantee (the " *Guarantee*") endorsed thereon of Macy's, Inc., a Delaware corporation (the "*Guarantor*").

1. Each of the Company and the Guarantor represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement (No. 333-185321), including a prospectus, relating to certain of the Company's unsecured debt securities registered under said registration statement (the "*Registered Securities*"), as amended, has been filed with the Securities and Exchange Commission ("*Commission*") and has become effective. "*Registration Statement*" as of any time means such registration statement in the form then filed with the Commission, including any amendment thereto, any document incorporated by reference therein and any information in a prospectus or prospectus supplement deemed or retroactively deemed to be a part thereof pursuant to Rule 430B ("*Rule 430B*") or 430C ("*Rule 430C*") under the Securities Act of 1933, as amended (" *Act*") that has not been superseded or modified. "Registration Statement" without reference to a time means the Registration Statement, including all amendments thereto, as of the time of the first contract of sale for the Notes, which time shall be considered the "Effective Date" of the Registration Statement relating to the Notes. For purposes of this definition, information contained in a form of prospectus or prospectus supplement that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Registration Statement as of the time specified in Rule 430B.

"*Statutory Prospectus*" as of any time means the prospectus relating to the Notes that is included in the Registration Statement immediately prior to that time, including any document incorporated by reference therein and any basic prospectus or prospectus supplement deemed to be a part thereof pursuant to Rule 430B or 430C that has not been superseded or modified. For purposes of this definition, information contained in a form of prospectus (including a prospectus supplement) that is deemed retroactively to be a part of the Registration Statement pursuant to Rule 430B shall be considered to be included in the Statutory Prospectus only as of the actual time that form of prospectus (including a prospectus supplement) is filed with the Commission pursuant to Rule 424(b) ("*Rule 424(b)*") under the Act and not retroactively. " *Prospectus*" means the Statutory Prospectus that discloses the public offering price and other final terms of the Notes and otherwise satisfies Section 10(a) of the Act.

"*Issuer Free Writing Prospectus*" means any "issuer free writing prospectus," as defined in Rule 433 (" *Rule 433*") under the Act, relating to the Notes in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g). "*General Use Issuer Free Writing Prospectus*" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being listed in Schedule B to this Agreement. "*Limited Use Issuer Free Writing Prospectus*" means any Issuer Free Writing Prospectus that is not a General

Use Issuer Free Writing Prospectus. "*Applicable Time*" means 3:10 p.m. (Eastern Time) on the date of this Agreement.

"*Securities Laws*" means, collectively, the Sarbanes-Oxley Act of 2002 (" *Sarbanes-Oxley*"), the Act, the Securities Exchange Act of 1934 (the "*Exchange Act*"), the Trust Indenture Act of 1939 (the " *Trust Indenture Act*"), the rules and regulations of the Commission (the "*Rules and Regulations*"), the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board and, as applicable, the rules of the New York Stock Exchange (the "*Exchange Rules*").

(b) At the time the Registration Statement initially became effective, at the time of each amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether by post effective amendment, incorporated report or form of prospectus) and on the Effective Date relating to the Notes, the Registration Statement conformed and will conform in all material respects to the requirements of the Act, the Exchange Act, the Trust Indenture Act and the Rules and Regulations and did not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. The Registration Statement on the date of this Agreement and the Prospectus on the date of this Agreement and at the Time of Delivery will conform in all respects to the requirements of the Act, the Trust Indenture Act and the Rules and Regulations, and neither of such documents will include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. This Section 1(b) does not apply to statements in or omissions from any of such documents based upon written information furnished to the Company by any Underwriter through Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Representatives (the "*Representatives*") of the several Underwriters, if any, specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(b) hereof or (ii) that part of the Registration Statement that will constitute the Statement of Eligibility and Qualification under the Trust Indenture Act (Form T-1) of the Trustee under the Indenture (as defined below) (the "*Form T-1*").

(c) (i) (A) At the time of the initial filing of the Registration Statement, (B) at the time of the most recent amendment thereto for the purposes of complying with Section 10(a)(3) of the Act (whether such amendment was by post-effective amendment, incorporated report filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 or form of prospectus), and (C) at the time the Company, the Guarantor or any person acting on their behalf (within the meaning, for this clause only, of Rule 163(c) under the Act) made any offer relating to the Notes in reliance on the exemption of Rule 163 under the Act and (D) at the time this Agreement is executed, the Company was a "well-known seasoned issuer" as defined in Rule 405 ("*Rule 405*") under the Act, including not having been an "ineligible issuer" as defined in Rule 405.

(ii) The Registration Statement is an "automatic shelf registration statement," as defined in Rule 405, that initially became effective within three years of the date of this Agreement. If immediately prior to the third anniversary (the "*Renewal Deadline*") of the initial effective date of the Registration Statement, any of the Notes remain unsold by the Underwriters, the Company will prior to the Renewal Deadline file, if it has not already done so and is eligible to do so, a new automatic shelf registration statement relating to the Notes, in a form satisfactory to the Representatives. If the Company is no longer eligible to file an automatic shelf registration statement, the Company will prior to the Renewal Deadline, if it has not already done so, file a new shelf registration statement relating to the Notes, in a form satisfactory to the Representatives, and will use its reasonable best efforts to cause such registration statement to be declared effective within 180 days after the Renewal Deadline. The Company and the Guarantor will take all other action reasonably necessary or appropriate to permit the public offering and sale of the Notes to continue as contemplated in the expired registration statement relating to the Notes. References herein to the Registration Statement shall include such new automatic shelf registration statement or such new shelf registration statement, as the case may be.

(iii) Neither the Company nor Guarantor has received from the Commission any notice pursuant to Rule 401(g)(2) ("*Rule 401(g)(2)*") under the Act objecting to use of the automatic shelf registration statement form. If at any time when Notes remain unsold by the Underwriters the Company receives from the Commission a notice pursuant to Rule 401(g)(2) or otherwise ceases to be eligible to use the automatic shelf registration statement form, the Company will (i) promptly notify the Representatives, (ii) promptly file a new registration statement or post-effective amendment on the proper form relating to the Notes, in a form satisfactory to the Representatives, (iii) use its reasonable best efforts to cause such registration statement or post-effective amendment to be declared effective as soon as practicable, and (iv) promptly notify the Representatives of such effectiveness. The Company and the Guarantor will take all other action reasonably necessary or appropriate to permit the public offering and sale of the Notes to continue as contemplated in the registration statement that was the subject of the Rule 401(g)(2) notice or for which the Company has otherwise become ineligible. References herein to the Registration Statement shall include such new registration statement or post-effective amendment, as the case may be.

(iv) The Company and the Guarantor have paid or shall pay the required Commission filing fees relating to the Notes within the time required by Rule 456(b)(1) under the Act without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) under the Act.

(d) (i) At the time of initial filing of the Registration Statement and (ii) at the date of this Agreement, neither the Company nor the Guarantor was or is an "ineligible issuer," as defined in Rule 405, including (x) the Company, the Guarantor or any other subsidiary in the preceding three years not having been convicted of a felony or misdemeanor or having been made the subject of a judicial or administrative decree or order as described in Rule 405 and (y) the Company and the Guarantor in the preceding three years not having been the subject of a bankruptcy petition or insolvency or similar proceeding, not having had a registration statement be the subject of a proceeding under Section 8 of the Act and not being the subject of a proceeding under Section 8A of the Act in connection with the offering of the Notes, all as described in Rule 405. As of the Applicable Time, neither (i) the General Use Issuer Free Writing Prospectus(es) issued at or prior to the Applicable Time, the preliminary prospectus, dated September 3, 2013 (which is

the most recent Statutory Prospectus distributed to investors generally) and the other information, if any, stated in Schedule B to this Agreement to be included in the General Disclosure Package, all considered together (collectively, the "*General Disclosure Package*"), nor (ii) any individual Limited Use Issuer Free Writing Prospectus, when considered together with the General Disclosure Package, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any Statutory Prospectus or any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(b) hereof.

(e) Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Notes or until any earlier date that the Company notified or notifies the Representatives as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information then contained in the Registration Statement or preliminary prospectus supplement. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information then contained in the Registration Statement or preliminary prospectus supplement or as a result of which such Issuer Free Writing Prospectus, if republished immediately following such event or development, would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (i) the Company has promptly notified or will promptly notify the Representatives and (ii) the Company has promptly amended or will promptly amend or supplement at its own expense such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission. The foregoing two sentences do not apply to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 9(b) hereof.

(f) Since the end of the period covered by the latest audited financial statements included or incorporated by reference in the General Disclosure Package, except as disclosed in the General Disclosure Package, there has not been any material adverse change or any development involving a prospective material adverse change in the business, general affairs, management, financial position, shareholders' equity or results of operations of the Company, the Guarantor and their subsidiaries taken as a whole. Since the end of the period covered by the latest audited financial statements included or incorporated by reference in the General Disclosure Package, except as disclosed in the General Disclosure Package, neither the Company, the Guarantor nor any of their subsidiaries has sustained any material loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree;

(g) The Company, the Guarantor and their subsidiaries have good and marketable title to all real property and title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are disclosed in the Registration Statement, Prospectus or the General Disclosure Package, or as do not, individually or in the aggregate, have a material adverse effect on the business, financial position or results of operations or reasonably foreseeable prospects of the Company, the Guarantor and their subsidiaries taken as a whole (a "*Material Adverse Effect*"); and any real property and buildings held under lease by the Company, the Guarantor and their subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as would not, individually or in the aggregate, have a Material Adverse Effect;

(h) Each of the Company and the Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Registration Statement, Prospectus or the General Disclosure Package, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it is required to be so qualified, except where failure to be so qualified and in good standing individually or in the aggregate would not have a Material Adverse Effect; and each subsidiary of the Company and the Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Registration Statement, Prospectus and the General Disclosure Package, except where failure to be duly incorporated, validly existing and in good standing would not, individually or in the aggregate, have a Material Adverse Effect;

(i) All of the issued shares of capital stock of the Guarantor have been duly and validly authorized and issued and are fully paid and non-assessable; all of the issued shares of capital stock of the Company and of each Significant Subsidiary (as such term is defined in Rule 405 of under the Act) of the Company and Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable and (except as otherwise disclosed in the Registration Statement, Prospectus or the General Disclosure Package) are owned directly or indirectly by the Guarantor, free and clear of all material liens, encumbrances, equities or claims; and all of the issued shares of capital stock of each subsidiary of the Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Guarantor, free and clear of all liens, encumbrances, equities or claims (except as otherwise disclosed in the Registration Statement, Prospectus or the General Disclosure Package or where, individually or in the aggregate, the failure to have been duly and validly authorized and issued, to be fully paid and non-assessable and to be owned directly or indirectly by the Guarantor free and clear of liens, encumbrances, equities or claims would not have a Material Adverse Effect);

(j) The Notes and the related Guarantee have been duly authorized and, when issued and delivered pursuant to this Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding

obligations of the Company and the Guarantor entitled to the benefits provided by an Indenture (the "*Base Indenture*"), dated as of January 13, 2012, as supplemented by the Fifth Supplemental Trust Indenture with respect to the Notes (the " *Fifth Supplemental Indenture*"), to be dated as of September 6, 2013 (the Base Indenture, as so supplemented and amended, the " *Indenture*"), among the Company, the Guarantor and The Bank of New York Mellon Trust Company, N.A., as Trustee (the " *Trustee*"), under which the Notes and the related Guarantee are to be issued and enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; the Indenture has been duly authorized, and when executed and delivered, will be duly qualified under the Trust Indenture Act; the Base Indenture constitutes (and the Fifth Supplemental Indenture, when executed and delivered by the Company and the Trustee, will constitute) a valid and legally binding instrument, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and each of the Notes, the related Guarantee and the Indenture will conform in all material respects to the descriptions thereof in the Registration Statement, Prospectus or the General Disclosure Package;

(k) The issue and sale of the Notes, the related Guarantee, and the compliance by the Company and the Guarantor with all of the provisions of the Notes, the related Guarantee, the Indenture and this Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, sale/leaseback agreement, loan agreement or other similar financing agreement or instrument or other agreement or instrument to which the Company, the Guarantor or any of their subsidiaries is a party or by which the Company, the Guarantor or any of their subsidiaries is bound or to which any of the property or assets of the Company, the Guarantor or any of their subsidiaries is subject, except for such conflicts, breaches, violations and defaults as individually or in the aggregate would not have a Material Adverse Effect, nor will such action result in any material violation of the provisions of the certificate of incorporation or by-laws of the Company or the Guarantor or any material statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, the Guarantor or any of their Significant Subsidiaries or any of their properties, nor will such action result in any violation of the provisions of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, the Guarantor or any of their subsidiaries or any of their properties except for such violations as individually or in the aggregate would not have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Notes and the related Guarantee or the consummation by the Company or the Guarantor of the transactions contemplated by this Agreement or the Indenture, except the registration of the Notes and the related Guarantee under the Act, the Exchange Act and such as have been obtained under the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Notes by the Underwriters;

(l) Except for such of the following violations, defaults and failures as individually or in the aggregate would not have a Material Adverse Effect, neither the Company, the Guarantor nor any of their subsidiaries (i) is in violation of its certificate of incorporation or by-laws (or comparable governing documents), (ii) is in default, and no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, or (iii) is in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property is subject, or (iv) has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business;

(m) The statements set forth in the Registration Statement, Prospectus or the General Disclosure Package under the captions "Description of Debt Securities," "Description of Notes" and "U.S. Federal Income Tax Considerations", insofar as they purport to constitute a summary of the terms of the Notes and the related Guarantee, and under the caption "Underwriting", insofar as it purports to describe the provisions of the laws and the documents referred to therein, constitute accurate summaries of the terms of such documents in all material respects;

(n) Other than as set forth in the Registration Statement, Prospectus or the General Disclosure Package, there are no legal or governmental proceedings pending to which the Company, the Guarantor or any of their subsidiaries is a party or of which any property of the Company, the Guarantor or any of their subsidiaries is the subject which, if determined adversely to the Company, the Guarantor or any of their subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and, to the best knowledge of the Company and the Guarantor, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(o) Neither the Company nor the Guarantor is and, after giving effect to the offering and sale of the Notes and the application of the proceeds thereof as described in the Registration Statement, Prospectus or the General Disclosure Package, neither the Company nor the Guarantor will be an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "*Investment Company Act* ");

(p) The interactive data in eXtensible Business Reporting Language (" *XBRL*") included or incorporated by reference in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto;

(q) Except as set forth in the Registration Statement, Prospectus and the General Disclosure Package, the Guarantor and its subsidiaries and the Guarantor's Board of Directors (the "*Board*") are in compliance in all material respects with

Sarbanes-Oxley and all applicable Exchange Rules. The Guarantor maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls (collectively, "*Internal Controls*") that comply with the Securities Laws and are sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements and the interactive data in XBRL included or incorporated by reference in the Registration Statement in conformity with accounting principles generally accepted in the United States and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (v) the Guarantor has adopted and applies corporate governance guidelines. The Internal Controls are, or upon consummation of the offering of the Notes will be, overseen by the Audit Committee (the "*Audit Committee*") of the Board in accordance with Exchange Rules in all material respects. The Guarantor has not publicly disclosed or reported to the Audit Committee or the Board, and within the next 90 days the Guarantor does not reasonably expect to publicly disclose or report to the Audit Committee or the Board, a significant deficiency, material weakness, change in Internal Controls or fraud involving management or other employees who have a significant role in Internal Controls (each, an "*Internal Control Event*"), any violation of, or failure to comply with, the Securities Laws, or any matter which, if determined adversely, would have a Material Adverse Effect; and

(r) KPMG LLP, who have certified certain financial statements of the Guarantor and its subsidiaries including the Company, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

2. Subject to the terms and conditions herein set forth, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price of 98.664% of the principal amount of the Notes, plus accrued interest, if any, from September 6, 2013 to the Time of Delivery hereunder, the principal amount of the Notes set forth opposite the name of such Underwriter in Schedule A hereto.

3. Upon the authorization by the Underwriters of the release of the Notes, the several Underwriters propose to offer the Notes for sale upon the terms and conditions set forth in the Registration Statement, Prospectus or the General Disclosure Package.

4. (a) The Notes to be purchased by each Underwriter hereunder will be represented by one or more definitive global securities in book-entry form which will be deposited by or on behalf of the Company with The Depository Trust Company ("*DTC*") or its designated custodian. The Company will deliver the Notes to Credit Suisse Securities (USA) LLC, for the account of each Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor in federal (same-day) funds by wire transfer to an account designated by the Company for such purpose, by causing DTC to credit the Notes to the account of Credit Suisse Securities (USA) LLC at DTC. The Company will cause the certificates representing the Notes to be made available to Credit Suisse Securities (USA) LLC for checking at least twenty-four hours prior to the Time of Delivery (as defined below) at the office of DTC or its designated custodian (the "*Designated Office*"). The time and date of such delivery and payment shall be approximately 10:00 a.m., New York City time, on September 6, 2013 or such other time and date as Credit Suisse Securities (USA) LLC and the Company may agree upon in writing. Such time and date are herein called the "*Time of Delivery*".

(b) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross-receipt for the Notes and any additional documents requested by the Underwriters pursuant to Section 8(i) hereof, will be delivered at the offices of Shearman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022 (the "*Closing Location*"), and the Notes will be delivered at the Designated Office, all at the Time of Delivery. A meeting will be held at the Closing Location at approximately 5:00 p.m., New York City time, on the New York Business Day next preceding the Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For purposes of this Section 4, "*New York Business Day*" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. Each of the Company and the Guarantor agrees with each of the Underwriters:

(a) To prepare each Statutory Prospectus (including the Prospectus) in a form approved by the Underwriters and to file such Statutory Prospectus (including the Prospectus) pursuant to Rule 424(b)(2) under the Act (or, if applicable and consented to by the Representatives, subparagraph 424(b)(5)) not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement or Statutory Prospectus (including the Prospectus) after the date of this Agreement and prior to the Time of Delivery which shall be disapproved by the Underwriters promptly after reasonable notice thereof; to advise the Underwriters promptly of such amendment or supplement after such Time of Delivery and furnish the Underwriters with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company and the Guarantor with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of the Notes, and during such same period to advise the Underwriters promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or any Statutory Prospectus has been proposed or filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Notes, of the suspension of the qualification of the Notes for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or any Statutory Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Notes or suspending any such qualification, to promptly use its best

efforts to obtain the withdrawal of such order. Each of the Company and the Guarantor has complied and will comply with Rule 433;

(b) Promptly from time to time to take such action as the Underwriters may reasonably request to qualify the Notes for offering and sale under the securities laws of such jurisdictions in the United States as the Underwriters may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Notes, *provided* that in connection therewith neither the Company nor the Guarantor shall be required to qualify as a foreign corporation, to file a general consent to service of process in any jurisdiction or to take any action that would subject it to general taxation in any jurisdiction;

(c) Prior to approximately 2:00 p.m., New York City time, on the second business day next succeeding the date of this Agreement and from time to time thereafter, to furnish the Underwriters with copies of the Prospectus as amended or supplemented in such quantities in New York City as the Underwriters may reasonably request, and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, if it is necessary at any time to amend the Registration Statement or supplement the Prospectus to comply with the Act or, if for any other reason it shall be necessary during such same period to amend the Registration Statement or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Underwriters and, upon the request of the Representatives and subject to the approval of the Representatives, to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Underwriters may from time to time reasonably request of an amendment or supplement to the Prospectus which will correct such statement or omission or an amendment which will effect such compliance;

(d) To make generally available to the securityholders of the Company and Guarantor as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company, the Guarantor and their subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158, in which case this Section 5(d) shall not be construed to require the Company to file any report referred to in Rule 158 prior to the time at which such report is otherwise due);

(e) During the period beginning from the date hereof and continuing to and including the later of the Time of Delivery and such earlier time as the Underwriters may notify the Company, not to offer, sell, contract to sell or otherwise dispose of, except as provided hereunder, any securities of the Company that are substantially similar to the Notes;

(f) For so long as Notes are in global form, to furnish to the holders thereof as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, shareholders' equity and cash flows of the Company, the Guarantor and their consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), consolidated summary financial information of the Company, the Guarantor and their subsidiaries for such quarter in reasonable detail; and to furnish to the holders of the Notes all other documents specified in Section 7.04 of the Base Indenture, all in the manner so specified;

(g) During a period of three years from the effective date of the Registration Statement, to furnish to the Underwriters copies of all reports or other communications (financial or other) furnished to the stockholders of the Guarantor generally, and to deliver to the Underwriters (i) as soon as they are available, (A) copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which the Notes or any class of securities of the Company or the Guarantor is listed and (B) the documents specified in Section 7.04 of the Base Indenture, as in effect at the Time of Delivery, and (ii) such additional information concerning the business and financial condition of the Company or the Guarantor as the Underwriters may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company, the Guarantor and their subsidiaries are consolidated in reports furnished to the Guarantor's stockholders generally or to the Commission); *provided* that any material nonpublic information received by the Underwriters will be held in confidence and not used in violation of any applicable law; and *provided further* that, for so long as the Guarantor is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports with the Commission on its Electronic Data Gathering, Analysis and Retrieval (EDGAR) system, neither the Company nor the Guarantor shall be required to furnish such reports or statements to the Underwriters; and

(h) To use the net proceeds received by it from the sale of the Notes pursuant to this Agreement in the manner specified in the Prospectus under the caption "Use of Proceeds."

6. (a) Each of the Company and the Guarantor represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Notes that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. Any such free writing prospectus consented to by the Company and the Representatives is hereinafter referred to as a "*Permitted Free Writing Prospectus* ." Each of the Company and the Guarantor represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including timely filing where required with the Commission, legending and record keeping.

(b) The Company will prepare a final term sheet relating to the Notes, containing only information that describes the final terms of the Notes and otherwise in a form consented to by the Representatives, and will file such final term sheet within the period required by Rule 433(d)(5)(ii) on or following the date such final terms have been established for all classes of the offering of the Notes. Any such final term sheet is an Issuer Free Writing Prospectus and a Permitted Free Writing Prospectus for purposes of this Agreement. The Company also consents to the use by any Underwriter of a free writing prospectus that contains only (i)(x) information describing the preliminary terms of the Notes or their offering or (y) information that describes the final terms of the Notes or their offering and that is included in the final term sheet of the Company contemplated in the first sentence of this subsection or (ii) other information that is not "issuer information," as defined in Rule 433, it being understood that any such free writing prospectus referred to in clause (i) or (ii) above shall not be an Issuer Free Writing Prospectus for purposes of this Agreement.

7. Each of the Company and the Guarantor covenants and agrees with the several Underwriters that each of the Company and the Guarantor will pay or cause to be paid the following: (i) the fees, disbursements and expenses of counsel and accountants of the Company and the Guarantor in connection with the registration of the Notes under the Act, all other expenses in connection with the preparation, printing and filing of the Registration Statement, any preliminary prospectuses and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers, and for expenses incurred for preparing, printing and distributing any Issuer Free Writing Prospectuses to investors or prospective investors; (ii) the cost of producing any Agreement among Underwriters, this Agreement, the Indenture, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Notes; (iii) all expenses in connection with the qualification of the Notes for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters (not to exceed $5,000 in the aggregate) in connection with such qualification and in connection with the Blue Sky Memorandum; (iv) any fees charged by securities rating services for rating the Notes; (v) the filing fees incident to, and fees and the disbursements of counsel for the Underwriters in connection with, any required review by the Financial Industry Regulatory Authority of the terms of the sale of the Notes; (vi) the cost of preparing the Notes; (vii) the fees and expenses of the Trustee and any agent of the Trustee and the fees and disbursements of counsel for the Trustee in connection with the Indenture and the Notes; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Notes by them, and any advertising expenses connected with any offers they may make.

8. The obligations of the Underwriters to purchase the Notes hereunder shall be subject in the sole discretion of the Underwriters to the condition that all representations and warranties and other statements of the Company and the Guarantor herein are, at and as of the Time of Delivery, true and correct, the condition that the Company and the Guarantor shall have performed all of their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) Each Statutory Prospectus (including the Prospectus) shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof and the Indenture shall have been qualified under the Trust Indenture Act; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission and no notice pursuant to Rule 401(g)(2) shall have been received; and all requests for additional information on the part of the Commission shall have been complied with to the reasonable satisfaction of the Underwriters;

(b) Shearman & Sterling LLP, counsel for the Underwriters, shall have furnished to the Underwriters a written opinion, dated the Time of Delivery, in form and substance reasonably satisfactory to the Underwriters;

(c) The General Counsel for the Guarantor and President of the Company shall have furnished to the Underwriters his written opinion, dated the Time of Delivery, in substantially the form attached hereto as Annex I;

(d) Jones Day, counsel for the Company, shall have furnished to the Underwriters a written opinion, dated the Time of Delivery, in substantially the form attached hereto as Annex II;

(e) KPMG LLP shall have furnished to the Underwriters letters, dated, respectively, the date hereof and the Time of Delivery confirming that they are a registered public accounting firm and independent public accountants within the meaning of the Securities Laws and substantially in the form of Annex III hereto (except that, in any letter dated the Time of Delivery, the specified date referred to in Annex III hereto shall be a date no more than three business days prior to the Time of Delivery);

(f) (i) Since the date of the latest audited financial statements included or incorporated by reference in the Registration Statement, Prospectus or the General Disclosure Package except as set forth or contemplated in the Registration Statement, Prospectus or the General Disclosure Package, neither the Company, the Guarantor nor any of their subsidiaries, taken as a whole, shall have sustained any loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, and (ii) since the respective dates as of which information is given in the Registration Statement, Prospectus or the General Disclosure Package, there shall not have been any change or any development involving a prospective change in the capital stock or long-term debt of the Company, the Guarantor or any of their subsidiaries or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company, the Guarantor and their subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Registration Statement, Prospectus or the General Disclosure Package, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Notes on the terms and in

the manner contemplated in the Registration Statement, Prospectus or the General Disclosure Package;

(g) On or after the date hereof, (i) no downgrading shall have occurred in the rating accorded to debt securities of the Company or the Guarantor by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the debt securities of the Company or the Guarantor;

(h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the securities of the Company or the Guarantor on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a major disruption in commercial banking or securities settlement or clearance services; or (iv) the outbreak or escalation of hostilities or any calamity or crisis involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Notes on the terms and in the manner contemplated in the Prospectus, General Disclosure Package or this Agreement; or (v) the occurrence of any material adverse change in the existing financial, political or economic conditions in the United States or elsewhere which, in the judgment of the Representatives, would materially and adversely affect the financial markets or the market for the Notes and other debt securities; and

(i) Each of the Company and the Guarantor shall have furnished or caused to be furnished to the Underwriters at the Time of Delivery certificates of officers of the Company and the Guarantor satisfactory to the Underwriters as to the accuracy of the representations and warranties of the Company and the Guarantor herein at and as of such Time of Delivery, as to the performance by the Company and the Guarantor of all of their obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Underwriters may reasonably request.

9. (a) Each of the Company and the Guarantor jointly and severally will indemnify and hold harmless each Underwriter, its partners, members, directors, officers, employees, agents, affiliates and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, an "*Indemnified Party*"), against any losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that neither the Company nor the Guarantor shall be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company or to the Guarantor by any Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter will indemnify and hold harmless the Company and the Guarantor, each of their directors and each of their officers who signs the Registration Statement and each person, if any, who controls the Company or Guarantor within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, an "*Underwriter Indemnified Party*") against any losses, claims, damages or liabilities to which such Underwriter Indemnified Party may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Issuer Free Writing Prospectus, or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company or the Guarantor by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company and the Guarantor for any legal or other expenses reasonably incurred by the Underwriter Indemnified Party in connection with investigating or defending any such action or claim as such expenses are incurred, it being understood and agreed that the only such information furnished by an Underwriter through the Representatives consists of the concession and reallowance figures appearing in the third paragraph under the caption "Underwriting" of the Prospectus and the eighth and ninth paragraphs under the caption "Underwriting" of the Prospectus concerning stabilizing transactions.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with

any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantor on the one hand and the Underwriters on the other from the offering of the Notes. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Guarantor on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantor on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantor on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Guarantor and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Notes underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company and the Guarantor under this Section 9 shall be in addition to any liability which the Company or the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company or the Guarantor (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company or the Guarantor) and to each person, if any, who controls the Company within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase any of the Notes which it has agreed to purchase hereunder, the Underwriters may in their discretion arrange for the Underwriters or another party or other parties to purchase such Notes on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Underwriters do not arrange for the purchase of such Notes, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Underwriters to purchase such Notes on such terms. In the event that, within the respective prescribed periods, the Underwriters notify the Company that they have so arranged for the purchase of such Notes or the Company notifies the Underwriters that it has so arranged for the purchase of such Notes, as the case may be, the Underwriters or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus as amended or supplemented or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement, the Prospectus, any Statutory Prospectus, any prospectus wrapper and any Issuer Free Writing Prospectus which in the opinion of the Underwriters may thereby be made necessary. The term "*Underwriter*" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Notes.

(b) If, after giving effect to any arrangements for the purchase of the Notes of a defaulting Underwriter or Underwriters by the Underwriters and the Company as provided in subsection (a) above, the aggregate principal amount of such Notes which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of all such Notes as set forth in

Schedule A hereto, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of such Notes which such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of such Notes which such Underwriter agreed to purchase hereunder) of such Notes of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Notes of a defaulting Underwriter or Underwriters by the Underwriters and the Company as provided in subsection (a) above, the aggregate principal amount of such Notes which remains unpurchased exceeds one-eleventh of the aggregate principal amount of all such Notes as set forth in Schedule A hereto, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase such Notes of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Guarantor and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, the Company, or any officer or director or controlling person of the Company, or the Guarantor, or any officer or director or controlling person of the Guarantor, and shall survive delivery of and payment for the Notes.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, neither the Company nor the Guarantor shall then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason, the Notes are not delivered by or on behalf of the Company as provided herein, the Company and the Guarantor will reimburse the Underwriters for all out-of-pocket expenses, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Notes, but the Company and the Guarantor shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail or facsimile transmission to the Underwriters in care of each of the following:

Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, NY 10010-3629
Attention: LCD-IBD
Fax: 212-322-2936

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179
Attention: Investment Grade Syndicate Desk
Fax: 212-834-6081

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
50 Rockefeller Plaza
NY1-050-12-01
New York, NY 10020
Attention: High Grade Transaction Management/Legal
Fax: 212-901-7867

and if to the Company shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Chief Financial Officer and Attention: Secretary or by facsimile to 513-579-7354; *provided*, *however*, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by mail or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Underwriters upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company, the Guarantor and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and the Guarantor and each person who controls the Company, the Guarantor or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Notes from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term " *business day*" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

18. Each of the Company and the Guarantor acknowledges and agrees that:

(a) The Underwriters have been retained solely to act as underwriters in connection with the sale of the Notes and that no fiduciary, advisory or agency relationship between the Company and the Underwriters nor between the Guarantor and the Underwriters has been created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Underwriters have advised or is advising the Company or the Guarantor on other matters;

(b) The price of the Notes set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Representatives and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) The Company and the Guarantor have been advised that the Underwriters and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and the Guarantor and that the Underwriters have no obligation to disclose such interests and transactions to the Company and the Guarantor by virtue of any fiduciary, advisory or agency relationship; and

(d) The Company and the Guarantor waive, to the fullest extent permitted by law, any claims they may have against the Underwriters for breach of fiduciary duty or alleged breach of fiduciary duty and agree that the Underwriters shall have no liability (whether direct or indirect) to the Company or the Guarantor in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company or the Guarantor, including stockholders, employees or creditors of the Company or the Guarantor.

[SIGNATURE PAGES FOLLOW]

If the foregoing is in accordance with your understanding, please sign and return to us seven counterparts hereof, and upon the acceptance hereof by the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and the Guarantor.

Very truly yours,

MACY'S RETAIL HOLDINGS, INC.

By: /s/ Karen M. Hoguet
Name: Karen M. Hoguet
Title: Vice President

MACY'S, INC.

By: /s/ Karen M. Hoguet
Name: Karen M. Hoguet
Title: Chief Financial Officer

Accepted as of the date hereof:

CREDIT SUISSE SECURITIES (USA) LLC
J.P. MORGAN SECURITIES LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By: CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Spencer Haimes
Name: Spencer Haimes
Title: Managing Director

By: J.P. MORGAN SECURITIES LLC

By: /s/ Stephen L. Sheiner
Name: Stephen L. Sheiner
Title: Executive Director

By: Merrill Lynch, Pierce, Fenner & Smith
Incorporated

By: /s/ James M. Probert
Name: James M. Probert
Title: Managing Director

On behalf of each of the Underwriters

**SCHEDULE A**

| | Principal Amount of Senior Notes due 2023 to Be Purchased |
|---|---|
| Credit Suisse Securities (USA) LLC..... | $ 100,000,000 |
| J.P. Morgan Securities LLC ..... | 100,000,000 |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated..... | 100,000,000 |
| U.S. Bancorp Investments, Inc. | 24,000,000 |
| Wells Fargo Securities, LLC | 24,000,000 |
| Goldman, Sachs & Co. | 10,000,000 |
| Fifth Third Securities, Inc. | 10,000,000 |
| PNC Capital Markets LLC | 10,000,000 |
| BNY Mellon Capital Markets, LLC | 4,000,000 |
| Citigroup Global Markets Inc. | 4,000,000 |
| Mitsubishi UFJ Securities (USA), Inc. | 4,000,000 |
| Standard Chartered Bank | 4,000,000 |
| Loop Capital Markets LLC | 2,000,000 |
| Samuel A. Ramirez & Company, Inc. | 2,000,000 |
| The Williams Capital Group, L.P. | 2,000,000 |
| Total..... | $400,000,000 |

**SCHEDULE B**

**General Disclosure Package**

**1. General Use Free Writing Prospectuses (included in the General Disclosure Package)**

"General Use Issuer Free Writing Prospectus" includes each of the following documents:

1. Final term sheet, dated September 3, 2013, a copy of which is attached hereto as Schedule C

**SCHEDULE C**
**Final Term Sheet**

**ANNEX I**

Form of Opinion of General Counsel for the Guarantor and President of the Company

1. The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it is required to be so qualified, except for such failures to be so qualified and in good standing as individually or in the aggregate would not have a Material Adverse Effect.

2. The Guarantor has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof.

3. The Guarantor has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it is required to be so qualified, except for such failures to be so qualified and in good standing as individually or in the aggregate would not have a Material Adverse Effect.

4. Each subsidiary of the Guarantor and the Company has been duly organized and is validly existing as a corporation or limited liability company in good standing under the laws of its jurisdiction of organization, except where the failure to be duly organized, validly existing and in good standing would not, individually or in the aggregate, have a Material Adverse Effect; all of the issued shares of capital stock or membership interests of the Guarantor, the Company and of each Significant Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable, and (except as otherwise disclosed in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof) are owned directly or indirectly by the Guarantor, free and clear of all material liens, encumbrances, equities or claims; and all of the issued shares of capital stock of each subsidiary of the Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Guarantor, free and clear of all liens, encumbrances, equities or claims (except as otherwise disclosed in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof, or where, individually or in the aggregate, the failure to have been duly and validly authorized and issued, to be fully paid and non-assessable or to be owned directly or indirectly by the Guarantor free and clear of liens, encumbrances, equities or claims would not have a Material Adverse Effect).

5. To my knowledge, other than as disclosed in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof, there are no legal or governmental proceedings pending to which the Company, the Guarantor or any of their subsidiaries is a party or of which any property of the Company, the Guarantor or any of their subsidiaries is the subject which, if determined adversely to the Company, the Guarantor or any of their subsidiaries, is reasonably likely individually or in the aggregate to have a Material Adverse Effect; and, to my knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

6. The issue and sale of the Notes, the Guarantee and the compliance by the Company and the Guarantor with all of the provisions of the Notes, the Guarantee, the Indenture and the Underwriting Agreement and the consummation of the transactions therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, sale/leaseback agreement, loan agreement or other financing agreement or any other agreement or instrument known to me to which the Company, the Guarantor or any of their subsidiaries is a party or by which the Company, the Guarantor or any of their subsidiaries is bound or to which any of the property or assets of the Company, the Guarantor or any of their subsidiaries is subject, except for such conflicts, breaches, violations and defaults as individually or in the aggregate would not have a Material Adverse Effect, nor will such action result in any material violation of the provisions of the certificate of incorporation or bylaws of the Company or the Guarantor or (a) any material statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, the Guarantor or any of their Significant Subsidiaries or any of their properties or (b) any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company, the Guarantor or any of their subsidiaries or any of their properties, except, with respect to this clause (b) only, for such violations, defaults and failures as individually or in the aggregate would not have a Material Adverse Effect.

7. Neither the Guarantor nor any of its subsidiaries is in violation of its certificate of incorporation or bylaws (or comparable governing documents) and none of the Company, the Guarantor or any of their subsidiaries is in default in the performance or observance of any material obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument known to me after due inquiry to which it is a party or by which it or any of its properties may be bound except for such violations and defaults as individually or in the aggregate would not have a Material Adverse Effect.

8. The Underwriting Agreement has been authorized by all necessary corporate action of, and executed and delivered by, each of the Company and the Guarantor.

9. The Notes have been authorized by all necessary corporate action of, and executed by, the Company, and when the Notes are authenticated by the Trustee in accordance with the terms of the Indenture, dated as of January 13, 2012, as supplemented by the Fifth Supplemental Trust Indenture, to be dated as of September 6, 2013, with respect to the Notes (the "Indenture") and delivered against payment therefor in accordance with the terms of the Underwriting Agreement, will have been validly issued and delivered by the Company and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

10. The guarantee of the Notes by the Guarantor (the " Guarantee") has been authorized by all necessary corporate action of the Guarantor, and when the Notes are delivered against payment therefor in accordance with the terms of the Underwriting

Agreement and the Indenture, will have been validly issued and delivered by the Guarantor and will constitute a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

11. The Notes and the Guarantee have been duly authorized, executed, authenticated, issued and delivered and constitute valid and legally binding obligations of the Company and the Guarantor enforceable against the Company and the Guarantor in accordance with their terms and entitled to the benefits provided by the Indenture, except as the enforceability of the Notes and the Guarantee may be limited by bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law; and the Notes, the Guarantee and the Indenture conform in all material respects to the descriptions thereof in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof.

12. The Indenture has been duly authorized, executed and delivered by the Company and the Guarantor and, assuming that the Indenture constitutes a valid and binding obligation of the Trustee, constitutes a valid and binding obligation of the Company and the Guarantor, enforceable against the Company and the Guarantor in accordance with its terms, except as the enforceability of the Indenture may be limited by bankruptcy, insolvency, reorganization, and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law, and the Base Indenture has been duly qualified under the Trust Indenture Act.

13. No consent, approval, authorization, order, registration or qualification of or with any United States court or governmental agency or body is required for the issue and sale of the Notes and the Guarantee or the consummation by the Company or the Guarantor of the transactions contemplated by the Underwriting Agreement or the Indenture except such as have been obtained under the Act, the Exchange Act, and the Trust Indenture Act, and such consents, approvals, authorizations, orders, registrations, or qualifications as may be required under the state securities or blue sky laws in connection with the purchase and distribution of the Notes by the Underwriters.

14. The statements set forth in the General Disclosure Package and the Prospectus, as amended or supplemented prior to the date hereof, under the captions "Description of Debt Securities," "Description of Notes," and under the caption "Underwriting," insofar as they purport to summarize the provisions of the laws and agreements to which the Company, the Guarantor or any of their affiliates is a party referred to therein, constitute accurate summaries of such provisions in all material respects.

15. Neither the Company nor the Guarantor is an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act.

16. The documents incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus or any amendment or supplement thereto made by the Company or the Guarantor prior to the date hereof (other than the financial statements and related schedules, the other financial data and any statistical data derived from the financial statements (and related schedules) contained or incorporated by reference therein, as to which I express no opinion), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; and I have no reason to believe that any of the documents referred to in this paragraph 16, when such documents were so filed, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such documents were so filed, not misleading. However, I have not independently verified, and I assume no responsibility for the accuracy, completeness or fairness of the Registration Statement, the General Disclosure Package or the Prospectus, as amended or supplemented (including any documents incorporated or deemed to be incorporated by reference therein), except to the extent of the opinion expressed in paragraph 14.

17. The Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Act), as of September 3, 2013, which is the date you have identified as the earlier of the date the Prospectus was first used or the date of the first contract of sale of the Notes (such date, the "Effective Date"), the Prospectus, as of the Effective Date, and the General Disclosure Package, as of 3:10 p.m. (Eastern Time) on September 3, 2013 (which is the time that you have informed me was prior to the first contract of sale of any Notes by the Underwriters), comply as to form in all material respects with the requirements of the Act and the Trust Indenture Act and the rules and regulations thereunder, except that I express no opinion with respect to the financial statements and related schedules, the other financial data and any statistical data derived from the financial statements (and related schedules) contained or incorporated by reference therein, and I do not know of any amendment to the Registration Statement required to be filed or of any contract or other document of a character required to be filed as an exhibit to the Registration Statement or required to be incorporated by reference into the General Disclosure Package, the Prospectus or any amendments or supplements thereto or required to be described in the Registration Statement, the General Disclosure Package, or the Prospectus or any amendments or supplements thereto which are not filed or incorporated by reference or described as required.

**ANNEX II**

**Form of Opinion of Jones Day**

1. The Company is a corporation existing and in good standing under the laws of the State of New York, with the corporate power and authority to conduct its business and to own or lease its properties as described in the Prospectus (as defined below).

2. The Guarantor is a corporation existing and in good standing under the laws of the State of Delaware, with the corporate power and authority to conduct its business and to own or lease its properties as described in the Prospectus.

3. The Underwriting Agreement has been authorized by all necessary corporate action of, and executed and delivered by, each of the Company and the Guarantor.

4. The Notes have been authorized by all necessary corporate action of, and executed by, the Company, and when the Notes are authenticated by the Trustee in accordance with the terms of the Base Indenture, dated as of January 13, 2012, as supplemented by the Fifth Supplemental Trust Indenture, to be dated as of September 6, 2013 with respect to the Notes (the "Indenture") and delivered against payment therefor in accordance with the terms of the Underwriting Agreement, will have been validly issued and delivered by the Company and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. The guarantee of the Notes by the Guarantor (the " Guarantee") has been authorized by all necessary corporate action of the Guarantor, and when the Notes are delivered against payment therefor in accordance with the terms of the Underwriting Agreement and the Indenture, will have been validly issued and delivered by the Guarantor and will constitute a valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

6. The Indenture has been authorized by all necessary corporate action of, and executed and delivered by, each of the Company and the Guarantor and constitutes a valid and binding obligation of each of the Company and the Guarantor, enforceable against each of the Company and the Guarantor in accordance with its terms.

7. No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required in connection with the execution, delivery or performance of the Underwriting Agreement and the Indenture by the Company or the Guarantor, or in connection with the issuance or sale of the Notes by the Company and the issuance of the Guarantee by the Guarantor to the Underwriters, except as may be required under (i) state securities or blue sky laws or (ii) the Securities Act of 1933 (the "Securities Act"), the Securities Exchange Act of 1934 or the Trust Indenture Act of 1939.

8. The statements contained in the Prospectus under the captions "Description of Debt Securities," "Description of Notes" and "U.S. Federal Income Tax Considerations," insofar as such statements purport to summarize legal matters or provisions of documents referred to therein, present fair summaries of such legal matters and documents.

9. Neither the Company nor the Guarantor is required to register as an "investment company," as such term is defined in the Investment Company Act of 1940.

We have participated in the preparation of the Company's Registration Statement on Form S-3 (Registration No. 333-185321) (the "Registration Statement"), the prospectus dated December 7, 2012 (the " Base Prospectus"), the preliminary prospectus supplement dated September 3, 2013 (together with the Base Prospectus, the "Preliminary Prospectus"), the term sheet attached to the Underwriting Agreement as Schedule C thereto (together with the Preliminary Prospectus, the "General Disclosure Package") and the prospectus supplement dated September 3, 2013 (together with the Base Prospectus, the "Prospectus"). From time to time, we have had discussions with certain officers, directors and employees of the Company and the Guarantor, with representatives of KPMG LLP, the independent registered public accounting firm who examined the financial statements of the Guarantor incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus, with the Underwriters and with counsel to the Underwriters concerning the information contained or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus and the responses to various items in Form S-3. Based upon our participation and discussions described above, we are of the view that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act), as of September 3, 2013, which is the date you have identified as the earlier of the date the Prospectus was first used or the date of the first contract of sale of the Notes (such date, the "Effective Date"), and the Prospectus, as of its date, complied as to form in all material respects with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder, except that we express no view with respect to (i) the financial statements, financial schedules and other financial data included or incorporated by reference therein or (ii) the information referred to under the caption "Experts" as having been included or incorporated by reference therein on the authority of KPMG LLP as experts.

We have not independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness (except as and to the extent set forth in paragraph 8 above) of the information contained or incorporated by reference in the Registration Statement, the General Disclosure Package and the Prospectus. Based upon our participation and discussions set forth above, however, no facts have come to our attention that cause us to believe that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act), as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, that the General Disclosure Package, as of 3:10 p.m. (Eastern Time) on September 3, 2013 (which is the time that you have informed us was prior to the first contract of sale of any Notes by the Underwriters), included any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Prospectus, as of its date or on the date hereof, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that we express no view with respect to (i) the financial statements, financial schedules and other financial data included or incorporated by reference therein or (ii) the information referred to under the caption "Experts" as having been included or incorporated by reference therein on the authority of KPMG LLP as experts.

**ANNEX III**

**Form of KPMG comfort letter**

**Exhibit 4.2**

**Execution Version**

**Macy's Retail Holdings, Inc., as *Issuer***

**and**

**Macy's Inc., as *Guarantor***

**and**

**The Bank of New York Mellon Trust Company, N.A., as Trustee**

**FIFTH SUPPLEMENTAL TRUST INDENTURE**

***Dated as of September 6, 2013***

**Supplementing that certain**

**Indenture**

***Dated as of January 13, 2012***

**Authorizing the Issuance and Delivery of Senior Securities**

**consisting of**

**$400,000,000 aggregate principal amount of 4.375% Senior Notes Due 2023**

**Fifth Supplemental Trust Indenture**, dated as of September 6, 2013, among Macy's Retail Holdings, Inc., a corporation duly organized and existing under the laws of the State of New York, as issuer (the "*Company*"), Macy's, Inc., a corporation duly organized and existing under the laws of the State of Delaware, as guarantor (the "*Guarantor*"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly incorporated under the laws of the United States of America, as Trustee (the "*Trustee*"), (this "*Supplemental Indenture*") to the Indenture, dated as of January 13, 2012, among the Company, the Guarantor and the Trustee (as supplemented hereby, the "*Indenture*").

**RECITALS**

A. The Company has duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness (the "*Securities*") to be issued in one or more series as provided for in the Indenture.

B. The Guarantor has fully and unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions of the Indenture, the due and punctual payment of each series of Securities issued thereunder.

C. The Indenture provides that the Securities of each series shall be in substantially the form set forth in the Indenture, or in such other form as may be established by or pursuant to a Board Resolution or in one or more indentures supplemental thereto, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture, and may have such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof.

D. The Company shall issue and deliver, and the Trustee shall authenticate, Securities denominated "4.375% Senior Notes Due 2023" (the "*Senior Notes*") pursuant to the terms of this Supplemental Indenture and substantially in the form set forth below, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

[Form of Face of Security]

This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee thereof. This Security may not be transferred to, or registered or exchanged for Securities registered in the name of any Person other than the Depositary or a nominee thereof, and no such transfer may be registered, except in the limited circumstances described in the Indenture. Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, this Security shall be a Global Security subject to the foregoing, except in such limited circumstances.

**Macy's Retail Holdings, Inc.**

4.375% Senior Notes Due 2023

**Guaranteed As To Payment Of Principal, Premium, If Any, And Interest By Macy's, Inc.**

No. __ $_____

Cusip No. 55616X AK3

ISIN No. US55616XAK37

MACY'S RETAIL HOLDINGS, INC., a corporation duly organized and existing under the laws of the State of New York (hereinafter called the "*Company*", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of $_____ on September 1, 2023 and to pay interest thereon from September 6, 2013 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on March 1 and September 1 of each year, commencing on March 1, 2014, at the rate of 4.375% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which will be February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof will be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

MACY'S, INC., a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "*Guarantor*", which term includes any successor Person under the Indenture hereinafter referred to), has fully and unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions of the Indenture, the due and punctual payment of each series of Securities issued thereunder (the "*Guarantee*"). The obligations of the Guarantor to the Holders and to the Trustee pursuant to the Guarantee are expressly set forth in Article XII of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee.

Subject, in the case of any Global Security, to any applicable requirements of the Depositary, payment of the principal of and any such interest on this Security will be made at the office or agency of the Company maintained for the purpose in New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of

interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS SET FORTH ON THE REVERSE HEREOF. SUCH PROVISIONS WILL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

This Security will not be valid or become obligatory for any purpose until the certificate of authentication herein has been signed manually by the Trustee under said Indenture.

In Witness Whereof, the Company has caused this instrument to be duly executed in accordance with the Indenture.

MACY'S RETAIL HOLDINGS, INC.

Date Issued: By: _____

The Guarantor has fully and unconditionally guaranteed, to the extent set forth in the Indenture and subject to the provisions of the Indenture, the due and punctual payment of each series of Securities issued thereunder. In case of the failure of the Company punctually to make any such payment, the Guarantor hereby agrees to cause such payment to be made punctually.

The obligations of the Guarantor to the Holders and to the Trustee pursuant to the Guarantee are expressly set forth in Article XII of the Indenture and reference is hereby made to the Indenture for the precise terms of the Guarantee.

In Witness Whereof, the Guarantor has caused this instrument to be duly executed in accordance with the Indenture.

MACY'S, INC.

Date Issued: By: _____

[Form of Reverse of Security]

**Macy's Retail Holdings, Inc.**

This Security is one of a duly authorized issue of securities of the Company (herein called the "*Securities*") issued and to be issued in one or more series under an Indenture, dated as of January 13, 2012 (herein called the "*Base Indenture*"), by and among the Company, Macy's, Inc., as guarantor (the "*Guarantor*"), and The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee (herein called the "*Trustee*", which term includes any successor trustee under the Indenture), as amended and supplemented by the Fifth Supplemental Trust Indenture, dated as of September 6, 2013, among the Company, the Guarantor and the Trustee (the "*Supplemental Indenture*" and, together with the Base Indenture, the "*Indenture*"), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, and immunities thereunder of the Company, the Guarantor, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, initially limited in aggregate principal amount to $400,000,000. Subject to compliance with Section 1.1(c) of the Supplemental Indenture, the Company is permitted to issue Additional Senior Notes under the Indenture in an unlimited principal amount. Any such Additional Senior Notes that are actually issued shall be treated as issued and outstanding Securities of this series for all purposes of the Indenture, unless the context clearly indicates otherwise.

Prior to June 1, 2023, the Securities of this series are redeemable in whole or in part, at the option of the Company at any time and from time to time, on not less than 30 or more than 60 days' prior notice transmitted to the Holders of the Securities of this series, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities of this series to be redeemed and (ii) the sum of the present values of the Remaining Scheduled Payments thereon discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points, together in either case with accrued interest on the principal amount being redeemed to the Redemption Date.

"*Comparable Treasury Issue*" means the United States Treasury security selected by an Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities of this series. "*Independent Investment Banker*" means one of the Reference Treasury Dealers appointed by the Company.

"*Comparable Treasury Price*" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "*Composite 3:30 p.m. Quotations for U.S. Government Securities*" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (a) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if the Company obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

"*Reference Treasury Dealer*" means each of Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated and their respective successors and one other nationally recognized investment banking firm that is a primary U.S. Government securities dealer in New York City (a "*Primary Treasury Dealer*") specified from time to time by the Company, except that if any of the foregoing ceases to be a Primary Treasury Dealer, the Company is required to designate as a substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer as of 3:30 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"*Remaining Scheduled Payments*" means, with respect to each Security of this series to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption, except that, if such Redemption Date is not an interest payment date with respect to such Security, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest

accrued thereon to such Redemption Date.

"*Treasury Rate*" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the second business day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

At any time on and after June 1, 2023, the Company may, at its option, redeem the Securities in whole or in part on not less than 30 nor more than 60 days' prior notice transmitted to the holders of the Securities of this series to be redeemed. The Securities will be so redeemable at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed plus accrued and unpaid interest on the Securities to be redeemed to the Redemption Date.

On and after any Redemption Date, interest will cease to accrue on the Securities of this series or any portion thereof called for redemption. On or prior to any Redemption Date, the Company shall deposit with a paying agent money sufficient to pay the Redemption Price of and accrued interest on the Securities of this series to be redeemed on such date. If less than all the Securities of this series are to be redeemed, (a) if such Securities are represented by Global Securities, the Securities of this series to be redeemed shall be selected for redemption in accordance with the customary procedures of The Depository Trust Company, a New York corporation ("*DTC*"), or (b) if such Securities are represented by Securities in certificated form, the Securities of this series to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate in accordance with methods generally used at the time of selection by fiduciaries in similar circumstances.

If a Change of Control Triggering Event occurs, unless the Company has exercised its right to redeem the Securities of this series, the Holders of the Securities of this series will have the right to require the Company to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of their Securities of this series pursuant to the Change of Control Offer, on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer payment in cash equal to 101% of the aggregate principal amount of the Securities of this series repurchased plus accrued and unpaid interest, if any, on the Securities of this series repurchased, to the date of purchase in accordance with the terms of the Indenture.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness evidenced by this Security or (b) certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantor and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company, the Guarantor and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security will be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security will not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in aggregate principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request and shall have failed to institute such proceeding for 60 calendar days after receipt of such notice, request, and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture will alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $2,000 and integral multiples of $1,000. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Guarantor, the Trustee, and any agent of the Company, the Guarantor or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security shall be overdue, and neither the Company, the Guarantor, the Trustee, nor any such agent will be affected by notice to the contrary.

Unless this Security is presented by an authorized representative of DTC, to the Company or its agent for registration of transfer, exchange, or payment, and any Security issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC) any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful because the registered owner hereof, Cede & Co., has an interest herein.

All terms used in this Security that are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

The Trustee's certificate of authentication shall be in substantially the following form:

Trustee's Certificate Of Authentication

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
*Authorized Officer*

All acts and things necessary to make the Senior Notes, when the Senior Notes have been executed by the Company and the Guarantor and authenticated by the Trustee and delivered as provided in the Indenture and this Supplemental Indenture, the valid, binding, and legal obligations of the Company and the Guarantor and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution and delivery by the Company and the Guarantor of the Indenture and this Supplemental Indenture and the issue hereunder of the Senior Notes have in all respects been duly authorized; and the Company and the Guarantor , in each case in the exercise of legal right and power in it vested, have executed and delivered the Indenture and are executing and delivering this Supplemental Indenture and propose to make, execute, issue, and deliver the Senior Notes.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

In order to declare the terms and conditions upon which the Senior Notes are authenticated, issued, and delivered, and in consideration of the premises and of the purchase and acceptance of the Senior Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of the respective Holders from time to time of the Senior Notes, as follows:

## ARTICLE I ISSUANCE OF SENIOR NOTES.

### Section 1.1 Issuance Of Senior Notes; Principal Amount; Maturity; Additional Senior Notes.

(a) On September 6, 2013, the Company shall issue and deliver to the Trustee, and the Trustee shall authenticate, Senior Notes substantially in the form set forth above, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Senior Notes, as evidenced by their execution of such Senior Notes.

(b) The Senior Notes shall be issued in the initial aggregate principal amount of $400,000,000 and shall mature on September 1, 2023.

(c) Subject to the terms and conditions contained herein, the Company may from time to time, without the consent of the existing Holders of Senior Notes create and issue additional senior notes (the "*Additional Senior Notes*") having the same terms and conditions as the Senior Notes in all respects, except for issue date, issue price and the first payment of interest thereon. Such Additional Senior Notes, at the Company's determination and in accordance with the provisions of the Indenture, will be consolidated with and form a single series with the previously outstanding Senior Notes for all purposes under the Indenture, including, without limitation, amendments, waivers and redemptions. The aggregate principal amount of the Additional Senior Notes, if any, shall be unlimited.

### Section 1.2 Interest On The Senior Notes; Payment Of Interest.

(a) The Senior Notes shall bear interest at the rate of 4.375% per annum from September 6, 2013, except in the case of Senior Notes delivered pursuant to Sections 2.05 or 2.07 of the Indenture, which shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is paid or made available for payment. Such interest shall be payable semiannually on March 1 and September 1 of each year commencing March 1, 2014.

(b) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in the Indenture, be paid to the Person in whose name a Senior Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be February 15 or August 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name the Senior Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of the Senior Notes not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Senior Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

(c) Subject, in the case of any Global Security, to any applicable requirements of the Depositary, payment of the principal of (and premium, if any) and any interest on the Senior Notes shall be made in immediately available funds.

### Section 1.3 Execution, Authentication And Delivery Of Securities.

The Senior Notes will be executed (which signatures may be via facsimile) (a) on behalf of the Company by any one of the President, the Chief Financial Officer, or any Vice President of the Company, and (b) on behalf of the Guarantor by any one of the President, the Chief Financial Officer or any Vice President of the Guarantor.

## ARTICLE II CERTAIN DEFINITIONS.

### Section 2.1 Certain Definitions.

The terms defined in this Section 2.1 (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires) for all purposes of this Supplemental Indenture and of any indenture supplemental hereto have the respective meanings specified in this Section 2.1. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP. All other terms used in this Supplemental Indenture that are defined in the Indenture or the Trust Indenture Act, either directly or by reference therein (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires), have the respective meanings assigned to such terms in the Indenture or the Trust

Indenture Act, as the case may be, as in force at the date of this Supplemental Indenture as originally executed.

"*Bank Facilities*" means the Credit Agreement, dated as of May 10, 2013, among Macy's, Inc., Macy's Retail Holdings, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and paying agent, and Bank of America, N.A., as administrative agent, as the same may be amended, supplemented or otherwise modified from time to time.

"*Cash Equivalent*" means: (a) obligations issued or unconditionally guaranteed as to principal and interest by the United States of America or by any agency or authority controlled or supervised by and acting as an instrumentality of the United States of America; (b) obligations (including, but not limited to, demand or time deposits, bankers' acceptances and certificates of deposit) issued by a depository institution or trust company or a wholly owned Subsidiary or branch office of any depository institution or trust company, provided that (i) such depository institution or trust company has, at the time of the Company's or any Restricted Subsidiary's Investment therein or contractual commitment providing for such Investment, capital, surplus, or undivided profits (as of the date of such institution's most recently published financial statements) in excess of $100.0 million and (ii) the commercial paper of such depository institution or trust company, at the time of the Company's or any Restricted Subsidiary's Investment therein or contractual commitment providing for such Investment, is rated at least A1 by S&P, P-1 by Moody's or F1 by Fitch; (c) debt obligations (including, but not limited to, commercial paper and medium term notes) issued or unconditionally guaranteed as to principal and interest by any corporation, state, or municipal government or agency or instrumentality thereof, or foreign sovereignty, if the commercial paper of such corporation, state, or municipal government or foreign sovereignty, at the time of the Company's or any Restricted Subsidiary's Investment therein or contractual commitment providing for such Investment, is rated at least A1 by S&P, P-1 by Moody's or F1 by Fitch; (d) repurchase obligations with a term of not more than seven days for underlying securities of the type described above entered into with a depository institution or trust company meeting the qualifications described in clause (b) above; and (e) Investments in money market or mutual funds that invest predominantly in Cash Equivalents of the type described in clauses (a), (b), (c), and (d) above; provided, however, that, in the case of clauses (a) through (c) above, each such Investment has a maturity of one year or less from the date of acquisition thereof.

"*Change of Control*" means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Guarantor and its subsidiaries taken as a whole to any Person other than the Guarantor or one of its subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any Person becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of the Guarantor's Voting Stock or other Voting Stock into which the Voting Stock of the Guarantor is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Guarantor consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into the Guarantor, in any such event pursuant to a transaction in which any of the outstanding shares of the Guarantor's Voting Stock or the Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Guarantor's Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the resulting or surviving Person or any direct or indirect parent company of the resulting or surviving Person immediately after giving effect to such transaction; (4) the first day on which a majority of the members of the Guarantor's Board of Directors are not Continuing Directors; or (5) the adoption of a plan providing for the liquidation or dissolution of the Guarantor. Notwithstanding the foregoing, a transaction shall not be deemed to involve a Change of Control under clause (2) above if (i) the Guarantor becomes a direct or indirect wholly owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Guarantor's Voting Stock immediately prior to that transaction or (B) immediately following that transaction no Person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "*Person*," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Event.

"*Consolidated Net Tangible Assets*" means total assets (less depreciation and valuation reserves and other reserves and items deductible from gross book value of specific asset accounts under GAAP) after deducting therefrom (i) all current liabilities and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount, organization expenses, and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with GAAP.

"*Continuing Directors*" means, as of any date of determination, any member of the Board of Directors of the Guarantor who (1) was a member of such Board of Directors on the date of this Supplemental Indenture; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of the Guarantor's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

"*Existing Indebtedness*" means all Indebtedness under or evidenced by:

- the Senior Notes;
- the Company's 7.875% Senior notes due 2015;
- the Company's 6.375% Senior notes due 2037;
- the Company's 5.90% Senior notes due 2016;
- the Company's 5.75% Senior notes due 2014;
- the Company's 6.9% Senior debentures due 2029;
- the Company's 6.7% Senior debentures due 2034;
- the Company's 7.45% Senior debentures due 2017;
- the Company's 6.65% Senior debentures due 2024;
- the Company's 7.0% Senior debentures due 2028;
- the Company's 8.75% Senior debentures due 2029;
- the Company's 6.9% Senior debentures due 2032;
- the Company's 8.5% Senior debentures due 2019;
- the Company's 6.7% Senior debentures due 2028;
- the Company's 7.875% Senior debentures due 2030;
- the Company's 7.875% Senior debentures due 2036;

- the Company's 6.79% Senior debentures due 2027;

- the Company's 8.125% Senior debentures due 2035;

- the Company's 7.45% Senior debentures due 2016;

- the Company's 7.50% Senior debentures due 2015;

- the Company's 10.25% Senior debentures due 2021;

- the Company's 7.6% Senior debentures due 2025;

- the Company's 9.5% amortizing debentures due 2021;

- the Company's 9.75% amortizing debentures due 2021;

- the Company's 3.875% Senior Notes due 2022;

- the Company's 5.125% Senior Notes due 2042;

- the Company's 2.875% Senior Notes due 2023;

- the Company's 4.30% Senior Notes due 2043;

- Capital Lease Obligations of the Company and its Restricted Subsidiaries existing on the date of issuance of the Senior Notes; and

- the other secured Indebtedness of the Company or secured or unsecured Indebtedness of its Restricted Subsidiaries existing on the date of issuance of the Senior Notes.

"*Fitch*" means Fitch Ratings, Inc. or its successor.

"*Indebtedness*" means, as applied to any Person, without duplication:

(a) all obligations of such Person for borrowed money;

(b) all obligations of such Person for the deferred purchase price of property or services (other than property and services purchased, and expense accruals and deferred compensation items arising, in the ordinary course of business);

(c) all obligations of such Person evidenced by notes, bonds, debentures, mandatorily redeemable preferred stock or other similar instruments (other than performance, surety and appeals bonds arising in the ordinary course of business);

(d) all payment obligations created or arising under any conditional sale, deferred price or other title retention agreement with respect to property acquired by such Person (unless the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(e) any capital lease obligation of such Person;

(f) all reimbursement, payment or similar obligations, contingent or otherwise, of such Person under acceptance, letter of credit or similar facilities (other than letters of credit in support of trade obligations or incurred in connection with public liability insurance, workers' compensation, unemployment insurance, old-age pensions and other social security benefits other than in respect of employee benefit plans subject to ERISA);

(g) all obligations of such Person, contingent or otherwise, under any guarantee by such Person of the obligations of another Person of the type referred to in clauses (a) through (f) above; and

(h) all obligations referred to in clauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage or security interest in property (including without limitation accounts, contract rights and general intangibles) owned by such Person and as to which such Person has not assumed or become liable for the payment of such obligations other than to the extent of the property subject to such mortgage or security interest; except that Indebtedness of the type referred to in clauses (g) and (h) above will be included within the definition of "*Indebtedness*" only to the extent of the least of (a) the amount of the underlying Indebtedness referred to in the applicable clause (a) through (f) above; (b) in the case of clause (g), the limit on recoveries, if any, from such Person under obligations of the type referred to in clause (g) above; and (c) in the case of clause (h), the aggregate value (as determined in good faith by the Company's Board of Directors) of the security for such Indebtedness.

"*Investment*" means, with respect to any Person, any direct or indirect loan or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any capital stock, bonds, notes, debentures, or other securities or evidences of Indebtedness issued by any other Person. The amount of any Investment shall be the original cost thereof, plus the cost of all additions thereto, without any adjustments for increases or decreases in value, write-ups, write-downs, or write-offs with respect to such Investment.

"*Investment Grade Rating*" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"*Lien*" means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), security interest, or preference, priority, or other security agreement or preferential arrangement of any kind or nature whatsoever intended to assure payment of any Indebtedness or other obligation, including without limitation any conditional sale, deferred purchase price, or other title retention agreement, the interest of a lessor under a Capital Lease Obligation, any financing lease having substantially the same economic effect as any of the foregoing, and the filing, under the Uniform Commercial Code or comparable law of any jurisdiction, of any financing statement naming the owner of the asset to which such Lien relates as debtor.

"*Moody's*" means Moody's Investors Service, Inc. or its successor.

"*Notice*" means, with respect to an Offer to Purchase, a written notice stating:

(a) the Section of this Supplemental Indenture pursuant to which such Offer to Purchase is being made;

(b) the applicable Purchase Amount (including, if less than all the Senior Notes, the calculation thereof pursuant to the Section hereof requiring such Offer to Purchase);

(c) the applicable Purchase Date;

(d) the purchase price to be paid by the Company for each $1,000 principal amount at maturity of Senior Notes accepted for payment (as specified in this Supplemental Indenture);

(e) that the Holder of any Senior Note may tender for purchase by the Company all or any portion of such Senior Note equal to $2,000 principal amount or an integral multiple of $1,000 in excess thereof;

(f) the place or places where Senior Notes are to be surrendered for tender pursuant to such Offer to Purchase;

(g) any Senior Note not tendered or tendered but not purchased by the Company pursuant to such Offer to Purchase shall continue to accrue interest as set forth in such Senior Note and this Supplemental Indenture;

(h) that on the Purchase Date the purchase price shall become due and payable upon each Senior Note (or portion thereof) selected for purchase pursuant to such Offer to Purchase and that interest thereon shall cease to accrue on and after the Purchase Date;

(i) that each Holder electing to tender a Senior Note pursuant to such Offer to Purchase shall be required to surrender such Senior Note at the place or places specified in the Notice prior to the close of business on the fifth Business Day prior to the Purchase Date (such Senior Note being, if the Company or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or its attorney duly authorized in writing);

(j) that (i) if Senior Notes (or portions thereof) in an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to such Offer to Purchase, the Company shall purchase all such Senior Notes and (ii) if Senior Notes in an aggregate principal amount in excess of the Purchase Amount are duly tendered and not withdrawn pursuant to such Offer to Purchase, (A) the Company shall purchase Senior Notes having an aggregate principal amount equal to the Purchase Amount and (B) the particular Senior Notes (or portions thereof) to be purchased shall be selected by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for purchase of portions (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of the principal amount of Senior Notes of a denomination larger than $2,000;

(k) that, in the case of any Holder whose Senior Note is purchased only in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Senior Note without service charge, a new Senior Note or Senior Note of any authorized denomination as requested by such Holder in an aggregate principal amount equal to and in exchange for the unpurchased portion of the Senior Note so tendered; and

(l) any other information required by applicable law to be included therein.

"*Offer to Purchase*" means an offer to purchase Senior Notes pursuant to and in accordance with a Notice, in the aggregate Purchase Amount, on the Purchase Date, and at the purchase price specified in such Notice (as determined pursuant to this Supplemental Indenture). Any Offer to Purchase shall remain open from the time of mailing of the Notice until the Purchase Date, and shall be governed by and effected in accordance with, and the Company and the Trustee shall perform their respective obligations specified in, the Notice for such Offer to Purchase.

"*Permitted Liens*" means: (a) Liens (other than Liens on inventory) securing (A) Existing Indebtedness; (B) Indebtedness under the Bank Facilities in an aggregate principal amount at any one time not to exceed $2,800.0 million, less (i) principal payments actually made by the Company on any term loan facility under such Bank Facilities (other than principal payments made in connection with or pursuant to a refinancing of the Bank Facilities in compliance with clause (a)(I) below) and (ii) any amounts by which any revolving credit facility commitments under the Bank Facilities are permanently reduced (other than permanent reductions made in connection with or pursuant to a refinancing of the Bank Facilities in compliance with clause (a)(I) below), except that under no circumstances shall the total allowable indebtedness under this clause (a)(B) be less than $1,790 million (subject to increase from and after the date hereof at a rate, compounded annually, equal to 3% per annum) if incurred for the purpose of providing the Company and its Subsidiaries with working capital, including without limitation, bankers' acceptances, letters of credit, and similar assurances of payment whether as part of the Bank Facilities or otherwise; (C) Indebtedness existing as of the date hereof of any Subsidiary of the Company engaged primarily in the business of owning or leasing real property; (D) Indebtedness incurred for the purpose of financing store construction and remodeling or other capital expenditures; (E) Indebtedness in respect of the deferred purchase price of property or arising under any conditional sale or other title retention agreement; (F) Indebtedness of a Person acquired by the Company or a Subsidiary of the Company at the time of such acquisition; (G) to the extent deemed to be "*Indebtedness*", obligations under swap agreements, cap agreements, collar agreements, insurance agreements, or any other agreement or arrangement, in each case designed to provide protection against fluctuations in interest rates, the cost of currency or the cost of goods (other than inventory); (H) other Indebtedness in outstanding amounts not to exceed, in the aggregate, the greater of $750.0 million and 12.5% of Consolidated Net Tangible Assets of the Company and the Restricted Subsidiaries at any particular time; and (I) Indebtedness incurred in connection with any extension, renewal, refinancing, replacement or refunding (including successive extensions, renewals, refinancings, replacements or refundings), in whole or in part, of any Indebtedness of the Company or the Restricted Subsidiaries; provided that the principal amount of the Indebtedness so incurred does not exceed the sum of the principal amount of the Indebtedness so extended, renewed, refinanced, replaced or refunded, plus all interest accrued thereon and all related fees and expenses (including any payments made in connection with procuring any required lender or similar consents); (b) Liens incurred and pledges and deposits made in the ordinary course of business in connection with liability insurance, workers' compensation, unemployment insurance, old-age pensions and other social security benefits other than in respect of employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended; (c) Liens securing performance, surety and appeal bonds and other obligations of like nature incurred in the ordinary course of business; (d) Liens on goods and documents securing trade letters of credit; (e) Liens imposed by law, such as carriers', warehousemen's, mechanics', materialmen's and vendors' Liens, incurred in the ordinary course of business and securing obligations which are not yet due or which are being contested in good faith by appropriate proceedings; (f) Liens securing the payment of taxes, assessments and governmental charges or levies, either (i) not delinquent or (ii) being contested in good faith by appropriate legal or administrative proceedings and as to which adequate reserves shall have been established on the books of the relevant Person in conformity with GAAP; (g) zoning restrictions, easements, rights of way, reciprocal easement agreements, operating agreements, covenants, conditions or restrictions on the use of any parcel of property that are routinely granted in real estate transactions or do not interfere in any material respect with the ordinary conduct of the business of the Company and its Subsidiaries or the value of such property for the purpose of such business; (h) Liens on property existing at the time such property is acquired; (i) purchase money Liens upon or in any property acquired or held in the ordinary course of business to secure Indebtedness incurred solely for the purpose of financing the acquisition of such property; (j) Liens on the assets of any Subsidiary of the Company at the time such Subsidiary is acquired; (k) Liens with respect to obligations in outstanding amounts not to exceed $100.0 million at any particular time and that (i) are not incurred in connection with the borrowing of money or obtaining advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate interfere in any material respect with the ordinary conduct of the business of the Company and its Subsidiaries; and (l) without limiting the ability of the Company or any Restricted Subsidiary to create, incur, assume or suffer to exist any Lien otherwise permitted under any of the foregoing clauses, any extension, renewal or replacement, in whole or in part, of any Lien described in the foregoing clauses; provided that any such extension, renewal or replacement Lien is limited to the property or assets covered by the Lien extended, renewed or replaced or substitute property or assets, the value of which is determined by the Board of Directors of the Company to be not materially greater than the value of the property or assets for which the substitute property or assets are substituted.

"*Purchase Amount*" means the aggregate outstanding principal amount of the Senior Notes required to be offered to be purchased by the Company pursuant to an Offer to Purchase.

"*Purchase Date*" means, with respect to any Offer to Purchase, a date specified by the Company in such Offer to Purchase not less than 30 calendar days or more than 60 calendar days after the date of the mailing of the Notice of such Offer to Purchase (or such other time period as is necessary for the Offer to Purchase to remain open for a sufficient period of time to comply with applicable securities laws).

"*Rating Agencies*" means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the Senior Notes or fails to make a rating of the Senior Notes publicly available for reasons outside of the Company's control, a "*nationally recognized statistical rating organization*" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), selected by the Company (as certified by a resolution of its Board of Directors) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

"*Rating Event*" means the rating on the Senior Notes is lowered by at least two of the three Rating Agencies and the Senior Notes are rated below an Investment Grade Rating by at least two of the three Rating Agencies, on any day during the period (which period will be extended so long as the rating of the applicable Senior Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the intention of the Guarantor to effect a Change of Control and ending 60 days following consummation of such Change of Control.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc., or its successor.

"*Sale and Leaseback Transaction*" means, with respect to any Person, an arrangement with any bank, insurance company, or other lender or investor or to which such lender or investor is a party providing for the leasing pursuant to a Capital Lease by such Person or any Subsidiary of such Person of any property or asset of such Person or such Subsidiary which has been or is being sold or transferred by such Person or such Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset.

"*Senior Indebtedness*" means any Indebtedness of the Company or its Subsidiaries other than Subordinated Indebtedness.

"*Significant Subsidiary*" means any Subsidiary that accounts for (a) 10.0% or more of the total consolidated assets of any Person and its Subsidiaries as of any date of determination or (b) 10.0% or more of the total consolidated revenues of any Person and its Subsidiaries for the most recently concluded fiscal quarter.

"*Subordinated Indebtedness*" means any Indebtedness of the Company which is expressly subordinated in right of payment to the Senior Notes or any Indebtedness of the Guarantor which is expressly subordinated in right of payment to the Guarantee.

"*Unrestricted Subsidiary*" means (a) Macy's Credit and Customer Services, Inc., (b) any Subsidiary of the Company the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein, and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement, or similar organizational document to, the business of a finance company (and business related thereto), which, in accordance with the provisions of this Supplemental Indenture, has been designated by Board Resolution of the Company as an Unrestricted Subsidiary, in each case unless and until any of the Subsidiaries of the Company referred to in the foregoing clauses (a) and (b) is, in accordance with the provisions of this Supplemental Indenture, designated by a Board Resolution of the Company as a Restricted Subsidiary, and (c) any Subsidiary of the Company of which, in the case of a corporation, more than 50% of the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation has or might have voting power upon the occurrence of any contingency), or, in the case of any partnership or other legal entity, more than 50% of the ordinary equity capital interests, is at the time directly or indirectly owned or controlled by one or more Unrestricted Subsidiaries and the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein, and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement or similar organizational document to, the business of a finance company (and business related thereto).

"*Voting Stock*" means, with respect to any specified "Person" (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person.

## ARTICLE III CERTAIN COVENANTS.

The following covenants shall be applicable to the Company for so long as any of the Senior Notes are Outstanding. Nothing in this paragraph will, however, affect the Company's rights or obligations under any other provision of the Indenture or this Supplemental Indenture.

### Section 3.1 Liens.

The Company shall not, and shall not permit any Restricted Subsidiary to, create, incur, assume, or suffer to exist any Liens upon any of their respective assets, other than Permitted Liens, unless the Senior Notes are secured by an equal and ratable Lien on the same assets.

### Section 3.2 Sale And Leaseback Transactions.

The Company shall not, and shall not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction unless the net cash proceeds therefrom are applied as follows: to the extent that the aggregate amount of net cash proceeds (net of all legal, title, and recording tax expenses, commissions, and other fees and expenses incurred, and all federal, state, provincial, foreign, and local or other taxes and reserves required to be accrued as a liability, as a consequence of such Sale and Leaseback Transaction, net of all payments made on any Indebtedness that is secured by the assets subject to such Sale and Leaseback Transaction in accordance with the terms of any Liens upon or with respect to such assets or which must by the terms of such Lien, or in order to obtain a necessary consent to such Sale and Leaseback Transaction or by applicable law be repaid out of the proceeds from such Sale and Leaseback Transaction, and net of all distributions and other payments made to minority interest holders in Subsidiaries or joint ventures as a result of such Sale and Leaseback Transaction) from such Sale and Leaseback Transaction that shall not have been reinvested in the business of the Company or its Subsidiaries or used to reduce Senior Indebtedness of the Company or its Subsidiaries within 12 months of the receipt of such proceeds (with Cash Equivalents being deemed to be proceeds upon receipt of such Cash Equivalents and cash payments under promissory notes secured by letters of credit or similar assurances of payment issued by commercial banks of recognized standing being deemed to be proceeds upon receipt of such payments) shall exceed $100.0 million ("*Excess Sale Proceeds*") from time to time, the Company shall offer to repurchase pursuant to an Offer to Purchase Senior Notes with such Excess Sale Proceeds (on a pro rata basis with any other Senior Indebtedness of the Company or its Subsidiaries required by the terms of such Indebtedness to be repurchased with such Excess Sale Proceeds, based on the principal amount of such Senior Indebtedness required to be repurchased) at 100% of principal amount, plus accrued and unpaid interest, and to pay related costs and expenses. Such Offer to Purchase shall be made by mailing of a Notice to the Trustee and to each Holder of Senior Notes at the address appearing in the Security Register, by first class mail, postage prepaid, by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company, on a date selected by the Company not later than 12 months from the date such Offer to Purchase is required to be made pursuant to the immediately preceding sentence. To the extent that the aggregate purchase price for Senior Notes or other Senior Indebtedness tendered pursuant to such offer to repurchase is less than the aggregate purchase price offered in such offer, an amount of Excess Sale Proceeds equal to such shortfall shall cease to be Excess Sale Proceeds and may thereafter be used for general corporate purposes. On the Purchase Date, the Company shall (i) accept for payment Senior Notes or portions thereof tendered pursuant to the Offer to Purchase in an aggregate principal amount equal to the Purchase Amount (selected by such method as the Trustee shall deem fair and appropriate and which may provide for the selection for purchase of portions (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of the principal amount of Senior Notes of a denomination larger than $2,000), (ii) deposit with the Paying Agent money sufficient to pay the purchase price of

all Senior Notes or portions thereof so accepted, and (iii) deliver to the Trustee Senior Notes so accepted. The Paying Agent shall promptly mail to the Holders of Senior Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Senior Note equal in principal amount to any unpurchased portion of each Senior Note surrendered.

Election of the Offer to Purchase by a Holder of Senior Notes shall (unless otherwise provided by law) be irrevocable. The payment of accrued interest as part of any repurchase price on any Purchase Date shall be subject to the right of Holders of record of Senior Notes on the relevant Regular Record Date to receive interest due on an Interest Payment Date that is on or prior to such Purchase Date.

If an Offer to Purchase Senior Notes is made, the Company shall comply with all tender offer rules, including but not limited to Section 14(e) of the Exchange Act and Rule 14e-1 thereunder, to the extent applicable to such Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture related to limitations on Sale and Leaseback Transactions, the Company shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the provisions of the Indenture related to limitations on Sale and Leaseback Transactions by virtue of such conflicts.

**Section 3.3 Permitting Unrestricted Subsidiaries To Become Restricted Subsidiaries.**

The Company shall not permit any Unrestricted Subsidiary to be designated as a Restricted Subsidiary unless such Subsidiary is otherwise in compliance with all provisions of the Indenture and this Supplemental Indenture that apply to Restricted Subsidiaries.

**Section 3.4 Payment Office.**

The Company shall cause a Payment Office for the Senior Notes to be maintained at all times in New York, New York.

## ARTICLE IV ADDITIONAL EVENTS OF DEFAULT.

**Section 4.1 Additional Events Of Default.**

In addition to the Events of Default set forth in the Indenture, the term "*Event of Default*," whenever used in the Indenture or this Supplemental Indenture with respect to the Senior Notes, means any one of the following events (whatever the reason for such Event of Default and whether it may be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

(a) the failure to redeem the Senior Notes when required pursuant to the terms and conditions thereof or to pay the repurchase price for Senior Notes to be repurchased in accordance with Section 3.2 of this Supplemental Indenture;

(b) any nonpayment at maturity or other default under any agreement or instrument relating to any other Indebtedness of the Company or any of its Restricted Subsidiaries (the unpaid principal amount of which is not less than $100.0 million), and, in any such case, such default (i) continues beyond any period of grace provided with respect thereto and (ii) results in such Indebtedness becoming due prior to its stated maturity or occurs at the final maturity of such Indebtedness; provided, however, that, subject to the provisions of Section 9.01 and 8.08 of the Indenture, the Trustee shall not be deemed to have knowledge of such nonpayment or other default unless either (1) a Responsible Officer of the Trustee has actual knowledge of nonpayment or other default or (2) the Trustee has received written notice thereof from the Company, from any Holder, from the holder of any such Indebtedness or from the trustee under the agreement or instrument, relating to such Indebtedness;

(c) the entry of one or more final judgments or orders for the payment of money against the Company, the Guarantor or any of their respective Restricted Subsidiaries, which judgments and orders create a liability of $100.0 million or more in excess of insured amounts and have not been stayed (by appeal or otherwise), vacated, discharged, or otherwise satisfied within 60 calendar days of the entry of such judgments and orders;

(d) the Guarantee ceases to be in full force and effect (except as contemplated by the terms of the Indenture) or is declared in a judicial proceeding to be null and void, or the Guarantor denies or disaffirms in writing its obligation under the Guarantee; and

(e) Events of Default of the type and subject to the conditions set forth in clauses (vii) and (viii) of Section 8.01(a) of the Indenture in respect of any Significant Subsidiary or, in related events, any group of Subsidiaries of the Company or Guarantor which, if considered in the aggregate, would be a Significant Subsidiary of the Company or Guarantor.

## ARTICLE V DEFEASANCE.

**Section 5.1 Applicability Of Article V Of The Indenture.**

(a) The Senior Notes shall be subject to Defeasance and Covenant Defeasance as provided in Article V of the Indenture; provided, however, that no Defeasance or Covenant Defeasance shall be effective unless and until:

(i) there shall have been delivered to the Trustee the opinion of a nationally recognized independent public accounting firm certifying the sufficiency of the amount of the moneys, U.S. Government Obligations, or a combination thereof, placed on deposit to pay, without regard to any reinvestment, the principal of and any premium and interest on the Senior Notes on the Stated Maturity thereof or on any earlier date on which the Senior Notes shall be subject to redemption;

(ii) there shall have been delivered to the Trustee the certificate of a Responsible Officer of the Company certifying, on behalf of the Company, to the effect that such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any agreement to which the Company is a party or violate any law to which the Company is subject; and

(iii) No Event of Default or event that (after notice or lapse of time or both) would become an Event of Default shall have occurred and be continuing at the time of such deposit or, with regard to any Event of Default or any such event specified in Sections 8.01(a)(vii) and (viii), at any time on or prior to the 124th calendar day after the date of such deposit (it being understood that

this condition shall not be deemed satisfied until after such 124th calendar day).

(b) Upon the exercise of the option provided in Section 5.01 of the Indenture to have Section 5.03 of the Indenture applied to the Outstanding Senior Notes, in addition to the obligations from which the Company shall be released specified in the Indenture, the Company shall be released from its obligations under Article III hereof.

## ARTICLE VI REDEMPTION OF SENIOR NOTES.

### Section 6.1 Right Of Redemption.

The Senior Notes may be redeemed by the Company in accordance with the provisions of the form of Senior Note set forth herein.

## ARTICLE VII CHANGE OF CONTROL

### Section 7.1 Repurchase At The Option Of Holders.

If a Change of Control Triggering Event occurs, unless the Company has exercised its right to redeem the Senior Notes, Holders of Senior Notes will have the right to require the Company to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess thereof) of their Senior Notes pursuant to the offer described below (the "*Change of Control Offer*"). In the Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Senior Notes repurchased plus accrued and unpaid interest, if any, on the Senior Notes repurchased, to the date of purchase (the "*Change of Control Payment*"). Within 30 days following any Change of Control Triggering Event or, at the option of the Company, prior to any Change of Control, but after public announcement of the transaction or transactions that constitute or may constitute the Change of Control, the Company shall mail a notice to Holders of Senior Notes describing the transaction or transactions that constitute or may constitute the Change of Control Triggering Event and offering to repurchase the Senior Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "*Change of Control Payment Date*"), pursuant to the procedures required by the Indenture and described in such notice, which offer will constitute the Change of Control Offer. The notice will, if mailed prior to the date on which the Change of Control occurs, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

On the Change of Control Payment Date, the Company shall be required, to the extent lawful, to:

(a) accept for payment all Senior Notes or portions of Senior Notes properly tendered pursuant to the Change of Control Offer;

(b) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Senior Notes or portions of Senior Notes properly tendered; and

(c) deliver or cause to be delivered to the Trustee the Senior Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Senior Notes or portions of Senior Notes being purchased.

The Company shall not be required to make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Senior Notes properly tendered and not withdrawn under its offer. In addition, the Company shall not be required to repurchase any Senior Notes if it has given written notice of a redemption in whole of the Senior Notes.

The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Senior Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Company shall be required to comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Article VII by virtue of such compliance.

## ARTICLE VIII MISCELLANEOUS.

### Section 8.1 Reference To And Effect On The Indenture.

This Supplemental Indenture shall be construed as supplemental to the Indenture and all the terms and conditions of this Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture. Except as set forth herein, the Indenture heretofore executed and delivered is hereby (i) incorporated by reference in this Supplemental Indenture and (ii) ratified, approved and confirmed.

### Section 8.2 Waiver Of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision, or condition set forth in Article III hereof if the Holders of a majority in principal amount of the Outstanding Senior Notes shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision, or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision, or condition shall remain in full force and effect.

### Section 8.3 Supplemental Indenture May Be Executed In Counterparts.

This instrument may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

### Section 8.4 Effect Of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

[Seal]

MACY'S RETAIL HOLDINGS, INC.,
as Issuer

By: /s/ Dennis J. Broderick
Name: Dennis J. Broderick
Title: President

Attest:

/s/ Susan P. Storer
Name: Susan P. Storer
Title: Assistant Treasurer
[Seal]

MACY'S, INC.,
as Guarantor

By: /s/ Dennis J. Broderick
Name: Dennis J. Broderick
Title: Executive Vice President, General Counsel
and Secretary

Attest:

/s/ Susan P. Storer
Name: Susan P. Storer
Title: Assistant Treasurer
[Seal]

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

By: /s/ Julie Hoffman-Ramos
Name: Julie Hoffman-Ramos
Title: Vice President

Attest:

/s/ James J. Prichard
Name: James J. Prichard
Title: Vice President

**Exhibit 5.1**

September 6, 2013

Macy's, Inc.
Macy's Retail Holdings, Inc.
7 West Seventh Street
Cincinnati, Ohio 45202

Re: $400,000,000 Aggregate Principal Amount of
4.375% Senior Notes due 2023 of Macy's Retail Holdings, Inc.

Ladies and Gentlemen:

We are acting as counsel for Macy's Retail Holdings, Inc., a New York corporation (" Macy's Holdings"), in connection with the issuance and sale of $400,000,000 in aggregate principal amount of 4.375% senior notes due 2023 of Macy's Holdings (the "Notes"), which are fully and unconditionally guaranteed (the "Guarantee") by Macy's, Inc., a Delaware corporation ("Macy's"), pursuant to the Underwriting Agreement, dated as of September 3, 2013 (the "Underwriting Agreement"), entered into by and among Macy's Holdings, Macy's and Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, acting as representatives of the several underwriters named therein. The Notes are being issued under an indenture (the "Base Indenture"), by and among the Company, the Guarantor and The Bank of New York Mellon Trust Company, as trustee (the "Trustee"), as supplemented by the Fifth Supplemental Trust Indenture (together with the Base Indenture, the "Indenture"), by and among the Company, the Guarantor and the Trustee.

In connection with the opinions expressed herein, we have examined such documents, records and matters of law as we have deemed relevant or necessary for purposes of such opinions. Based on the foregoing, and subject to the further limitations, qualifications and assumptions set forth herein, we are of the opinion that:

1. The Notes constitute valid and binding obligations of Macy's Holdings.

2. The Guarantee constitutes a valid and binding obligation of Macy's.

For purposes of the opinions expressed herein, we have assumed that (i) the Trustee has authorized, executed and delivered the Indenture, (ii) the Notes have been duly authenticated by the Trustee in accordance with the Indenture and (iii) the Indenture is the valid, binding and enforceable obligation of the Trustee.

The opinions expressed herein are limited by (i) bankruptcy, insolvency, reorganization, fraudulent transfer and fraudulent conveyance, voidable preference, moratorium or other similar laws and related regulations or judicial doctrines from time to time in effect relating to or affecting creditors' rights generally, and (ii) by general equitable principles and public policy considerations, whether such principles and considerations are considered in a proceeding at law or at equity.

The opinions expressed herein are limited to the laws of the State of New York and the General Corporation Law of the State of Delaware, in each case as currently in effect, and we express no opinion as to the effect of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Current Report on Form 8-K dated the date hereof and incorporated by reference into the Registration Statement on Form S-3, as amended (Reg. No. 333-185321) (the "Registration Statement"), filed by Macy's and Macy's Holdings to effect the registration of the Notes and the Guarantee under the Securities Act of 1933 (the "Act") and to the reference to Jones Day under the caption "Legal Matters" in the prospectus constituting a part of such Registration Statement. In giving such consent, we do not hereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Jones Day

**Exhibit 12.1**

**Macy's, Inc.**
**Computation of Historical Ratios of Earnings to Fixed Charges (a)**
**(in millions, except ratio data)**

| | 26 Weeks Ended | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|---|
| | 8/3/2013 | 2/2/13 | 1/28/12 | 1/29/11 | 1/30/2010 | 1/31/2009 |
| Income (loss) before income taxes | $776 | $2,102 | $1,968 | $1,320 | $507 | $(4,938) |
| Add: Interest Expense | 194 | 562 | 447 | 579 | 562 | 588 |
| Portion of rents representative of the interest factor | 54 | 106 | 106 | 105 | 106 | 110 |
| Adjusted Income (loss) | $1,024 | $2,770 | $2,521 | $2,004 | $1,175 | $(4,240) |
| **Fixed Charges:** | | | | | | |
| Interest Expense | 194 | 562 | 447 | 579 | 562 | 588 |
| Capitalized Interest | 5 | 15 | 8 | 5 | 5 | 11 |
| Portion of rents representative of the interest factor | 54 | 106 | 106 | 105 | 106 | 110 |
| Total Fixed Charges | $253 | $683 | $561 | $689 | $673 | $709 |
| **Ratio of earnings (losses) to fixed charges (b)** | 4.0x | 4.1x | 4.5x | 2.9x | 1.7x | — (b) |

(a) For purposes of determining the ratio of earnings (loss) to fixed charges, earnings (loss) consist of income (loss) before income taxes plus fixed charges (excluding interest capitalized). Fixed charges represent interest incurred, premium on early retirement of debt, amortization of debt expenses, and that portion of rental expenses on operating leases deemed to be the equivalent of interest.

(b) For the fiscal year ended January 31, 2009, our earnings were insufficient to cover our fixed charges by $4.95 billion.