

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

- Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934
or
 Transition Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended
January 26, 2002

Commission file number
1-4908

The TJX Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-2207613
(IRS Employer
Identification No.)

770 Cochituate Road
Framingham, Massachusetts
(Address of principal executive offices)

01701
(Zip Code)

Registrant's telephone number, including area code (508) 390-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, par value \$1.00

Name of each exchange
on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the Registrant on March 30, 2002 was \$10,768,607,519.

There were 270,023,652 shares of the Registrant's Common Stock, \$1 par value, outstanding as of March 30, 2002.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders for the fiscal year ended January 26, 2002 (certain parts as indicated herein) (Parts I and II).

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PART I

ITEM 1. Business

We are the leading off-price retailer of apparel and home fashions in the United States and worldwide. We have positioned ourselves as a synergistic group of off-price businesses and have expanded our off-price concept to new geographic areas, new product lines and new demographic markets.

We offer off-price family apparel and home fashions through our T.J. Maxx, Marshalls and A.J. Wright chains in the United States, our Winners chain in Canada and our T.K. Maxx chain in the United Kingdom and Ireland. We also operate HomeGoods in the United States, a chain that focuses exclusively on off-price home fashions, and we launched a Canadian home fashions chain called HomeSense in fiscal 2002. The target customer for all of our chains, except A.J. Wright, is the middle to upper-middle income shopper with the same profile as a department or specialty store customer. A.J. Wright targets a more moderate income customer.

Our mission is to deliver an exciting, fresh and rapidly changing assortment of brand-name merchandise at excellent values to our customers. We define value as the combination of quality, fashion and price. With approximately 300 buyers worldwide and over 9,000 vendors, we believe we are well positioned to accomplish this goal. Our key strengths include:

- expertise in off-price buying;
- substantial buying power;
- relationships with many manufacturers and other merchandise suppliers; and
- off-price inventory management systems and distribution networks.

As an off-price retailer, we offer first-quality, in-season, name brand and designer family apparel and home fashions every day at substantial savings from comparable department and specialty store regular prices. We can offer these every day savings as a result of our opportunistic buying strategies, rapid inventory turns and low expense structure.

Due to the unpredictable nature of consumer demand in the marketplace, we are routinely able to buy excess merchandise from manufacturers and others at significant discounts from initial wholesale prices. We purchase merchandise to sell in the current selling season as well as a limited quantity of packaway merchandise that is stored before sale in another selling season. We are willing to purchase less than a full assortment of styles and sizes. We pay promptly and do not ask for typical retail concessions such as promotional and markdown allowances and return privileges. Our financial strength, strong reputation and ability to sell large quantities of merchandise through a geographically diverse network of stores gives us unparalleled access to many leading consumer brands.

We rely heavily on sophisticated, internally developed inventory controls that permit a virtually continuous flow of merchandise into our stores. For example, highly automated storage and distribution systems track, allocate and deliver an average of 12,000 items per week to each T.J. Maxx and Marshalls store. In addition, specialized computer inventory planning, purchasing and monitoring systems, coupled with warehouse storage, processing, handling and shipping systems, permit a continuous evaluation and rapid replenishment of store inventory. Pricing, markdown decisions and store inventory replenishment requirements are determined centrally, using satellite-transmitted information provided by point-of-sale computer terminals. This

process is designed to achieve rapid in-store inventory turnover and sell substantially all merchandise within targeted selling periods.

During the fiscal year ended January 26, 2002, we derived 88.9% of our sales from the United States (30.9% from the Northeast, 16.4% from the Midwest, 27.7% from the South, 1.0% from the Central Plains, 12.9% from the West), 6.2% from Canada and 4.9% from Europe (primarily the United Kingdom).

Unless otherwise indicated, all store information is as of January 26, 2002. All references to store square footage are to gross square feet. Fiscal 2001 means the fiscal year ended January 27, 2001, fiscal 2002 means the fiscal year ended January 26, 2002 and fiscal 2003 means the fiscal year ending January 25, 2003. Our business is subject to seasonal influences, which causes us generally to realize higher levels of sales and income in the second half of the year. This is common in the apparel retail business. We are incorporating by reference our segment information from pages 36 and 37 of the Annual Report under the caption "Segment Information."

T.J. MAXX AND MARSHALLS

T.J. Maxx is the largest off-price retailer in the United States, with 687 stores in 47 states. Marshalls is the second-largest off-price retailer in the United States, with 568 stores in 40 states as well as 14 stores in Puerto Rico. We maintain the separate identities of the T.J. Maxx and Marshalls stores through merchandising, marketing and store appearance. This encourages our customers to shop at both chains.

T.J. Maxx and Marshalls sell quality brand name merchandise at prices generally 20%-60% below department and specialty store regular prices. Both chains offer family apparel, accessories, giftware and domestics. T.J. Maxx also offers women's shoes and fine jewelry, while Marshalls also offers a full-line shoe department and a larger men's department. T.J. Maxx and Marshalls primarily target female customers who have families with middle to upper-middle incomes and who generally fit the profile of a department or specialty store shopper.

T.J. Maxx and Marshalls operate with a common buying and merchandising organization and have consolidated administrative functions, including finance, real estate, human resources and systems. The combined organization, known as The Marmaxx Group, offers us increased leverage to purchase merchandise at favorable prices and allows us to operate with a lower cost structure. These advantages are key to our ability to sell quality, brand name merchandise at substantial discounts from department and specialty store regular prices.

T.J. Maxx and Marshalls stores are generally located in suburban community shopping centers. T.J. Maxx stores average approximately 30,000 square feet. Marshalls stores average approximately 31,000 square feet. We currently expect to add a net of 75 stores in fiscal 2003. Ultimately, we believe that T.J. Maxx and Marshalls together can operate approximately 1,800 stores in the United States and Puerto Rico.

WINNERS

Winners is the leading off-price retailer in Canada, offering off-price designer and brand name women's apparel and shoes, lingerie, accessories, domestics, giftware, menswear and children's clothing. We currently operate a total of 131 Winners stores which average approximately 28,000 square feet. Beginning in fiscal 2001, selected stores added fine jewelry departments. We expect to add 14 Winners stores in fiscal 2003. Ultimately, we believe the Canadian market can support approximately 180 Winners stores.

Winners opened our first seven HomeSense stores, in Canada, in fiscal 2002. Like our HomeGoods chain, HomeSense offers home fashions. HomeSense stores average approximately 23,000 square feet. We currently expect to add 8 stores in fiscal 2003. We believe that Canada could support 60 to 80 HomeSense stores in the long-term.

T.K. MAXX

T.K. Maxx is the only major off-price retailer in any European country. T.K. Maxx utilizes the same off-price strategies employed by T.J. Maxx, Marshalls and Winners and offers the same type of merchandise. We currently operate 101 T.K. Maxx stores in the United Kingdom and Ireland. T.K. Maxx stores average approximately 26,000 square feet. T.K. Maxx opened 30 stores in the United Kingdom and Ireland in fiscal 2002. We currently expect to add a total of 25 stores in these countries in fiscal 2003. We believe that the U.K. and Ireland can support approximately 250 stores in the long-term. We also continue to see the European continent as a viable longer-term growth opportunity for T.K. Maxx that could ultimately support as many as 300 additional stores.

HOMEGOODS

HomeGoods was the first off-price retail chain to focus exclusively on the home fashions market. HomeGoods offers a broad array of giftware, accent furniture, lamps, rugs, accessories and seasonal merchandise for the home. Many of the HomeGoods stores are stand-alone stores; however we also combine HomeGoods stores with a T.J. Maxx or Marshalls store in a superstore format that we call T.J. Maxx 'N More or Marshalls Mega-Store. Stand-alone HomeGoods stores average approximately 29,000 square feet. In superstores, which average approximately 53,000 square feet, we dedicate an average of 21,000 square feet to HomeGoods. The 112 stores open at year end include 71 stand-alone stores and 41 superstores. In fiscal 2003, we anticipate adding a net of 32 HomeGoods stores, including superstores. We believe that the U.S. market could support approximately 500 freestanding HomeGoods stores and 150 superstores in the long-term.

A.J. WRIGHT

A.J. Wright, a relatively young chain launched in fiscal 1999, brings our off-price concept to a different demographic customer, the moderate income shopper. A.J. Wright stores offer branded family apparel, accessories, shoes, domestics, giftware and special situation purchases. A.J. Wright stores average approximately 26,000 square feet. We opened 20 A.J. Wright stores in fiscal 2002 and operated 45 stores at fiscal year end. We currently expect to open 30 A.J. Wright stores in fiscal 2003. We believe this developing business offers us the long-term opportunity to open over 1,000 A.J. Wright stores throughout the United States.

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We operated stores in the following locations as of January 26, 2002:

	T.J. Maxx	Marshalls	HomeGoods	A.J.Wright
Alabama	12	5	-	-
Arizona	9	6	1	-
Arkansas	6	-	-	-
California	53	77	5	-
Colorado	10	6	-	-
Connecticut	24	21	8	3
Delaware	3	3	-	-
District of Columbia	1	-	-	-
Florida	51	47	12	-
Georgia	28	22	4	-
Idaho	1	-	-	-
Illinois	35	36	7	-
Indiana	10	5	-	3
Iowa	4	1	-	-
Kansas	4	3	-	-
Kentucky	10	3	3	-
Louisiana	6	6	-	-
Maine	5	1	2	1
Maryland	9	16	3	3
Massachusetts	44	41	15	11
Michigan	30	13	4	5
Minnesota	12	10	2	-
Mississippi	5	2	-	-
Missouri	10	7	-	-
Montana	1	-	-	-
Nebraska	2	1	-	-
Nevada	4	5	-	-
New Hampshire	11	7	3	-
New Jersey	19	33	8	1
New Mexico	3	2	-	-
New York	41	41	8	3
North Carolina	20	15	2	-
North Dakota	3	-	-	-
Ohio	34	13	7	6
Oklahoma	3	1	-	-
Oregon	5	3	-	-
Pennsylvania	37	23	3	3
Puerto Rico	--	14	2	-
Rhode Island	5	4	2	2
South Carolina	11	8	2	-
South Dakota	1	-	-	-
Tennessee	18	9	1	-
Texas	31	41	-	-
Utah	6	-	-	-
Vermont	2	-	1	-
Virginia	25	20	2	4
Washington	10	5	-	-
West Virginia	1	1	1	-
Wisconsin	12	5	4	-
Total Stores	687	582	112	45

Winners operated 131 stores in Canada: 18 in Alberta, 4 in Manitoba, 62 in Ontario, 21 in Quebec, 3 in Nova Scotia, 2 in Saskatchewan, 16 in British Columbia, 3 in New Brunswick, 1 in Newfoundland and 1 on Prince Edward Island.

HomeSense operated 7 stores in Canada, all in the province of Ontario.

T.K. Maxx operated 98 stores in the United Kingdom and 3 stores in the Republic of Ireland.

The HomeGoods store locations include the HomeGoods portion of a T.J. Maxx 'N More or a Marshalls Mega-Store.

EMPLOYEES

At January 26, 2002, we had approximately 89,000 employees, many of whom work less than 40 hours per week. In addition, we hire temporary employees during the peak back-to-school and holiday seasons.

COMPETITION

The retail apparel and home fashion business is highly competitive. Our customers focus upon fashion, quality, price, merchandise selection and freshness, brand name recognition and, to a lesser degree, store location. We primarily compete with local, regional and national department stores, specialty stores and off-price chains. We also compete to some degree with any retailer that sells apparel and home fashions in stores, through catalogues or over the internet. In addition, we purchase much of our inventory opportunistically and compete for that merchandise with other national and regional off-price apparel and outlet stores.

CREDIT

Our stores operate primarily on a cash-and-carry basis. Each chain accepts credit sales through programs offered by banks and others.

BUYING AND DISTRIBUTION

We operate a centralized buying organization that services both the T.J. Maxx and Marshalls chains while each of our other chains has its own centralized buying organization. All of our chains are serviced through their own distribution networks.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Various statements made in this annual report, including some of the statements made under Item 1, "Business," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 8, "Financial Statements and Supplementary Data," are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements:

- general economic conditions including effects of terrorist incidents and military actions and consumer demand and preferences;
- weather patterns in areas where we have concentrations of stores;
- competitive factors, including pressure from pricing and promotional activities of competitors; the impact of excess retail capacity and the availability of desirable store and distribution center locations on suitable terms; recruiting quality sales associates; the availability, selection and purchasing of attractive merchandise on favorable terms; our ability to effectively manage inventory levels, potential disruptions in supply and duties, tariffs and quotas on imported merchandise, as well as economic and political problems in countries from which merchandise is imported;
- currency and exchange rate factors in our foreign operations;

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- expansion of our store base, development of new businesses and application of our off-price strategies in foreign countries; our acquisition and divestiture activities;
- our ultimate liability with respect to leases relating to discontinued operations including indemnification and other factors affecting or mitigating our liability.

We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

ITEM 2. Properties

We lease virtually all of our store locations, generally for 10 years with an option to extend the lease for one or more 5 year periods. We have the right to terminate some of these leases before the expiration date under specified circumstances and for a specified payment.

The following is a summary of our primary distribution centers and administration office locations as of January 26, 2002. Square footage information for the distribution centers represents total "ground cover" of the facility. Square footage information for office space represents total space occupied:

Distribution Centers

T.J. Maxx	Worcester, Massachusetts Evansville, Indiana Las Vegas, Nevada	(500,000 s.f. — owned) (983,000 s.f. — owned) (713,000 s.f. shared with Marshalls — owned)
Marshalls	Charlotte, North Carolina Decatur, Georgia	(600,000 s.f. — owned) (780,000 s.f. — owned and 189,000 s.f. — leased)
Winners and HomeSense	Woburn, Massachusetts Bridgewater, Virginia Philadelphia, Pennsylvania	(560,000 s.f. — leased) (672,000 s.f. — leased) (1,001,000 s.f. — leased)
HomeGoods	Brampton, Ontario Mississauga, Ontario	(506,000 s.f. — leased) (329,000 s.f. — leased)
T.K. Maxx	Mansfield, Massachusetts Brownsburg, Indiana Milton Keynes, England Wakefield, England Stoke, England	(343,000 s.f. — leased) (805,000 s.f. — owned) (108,000 s.f. — leased) (175,000 s.f. — leased) (261,000 s.f. — leased)
A.J. Wright	Rochdale, England Fall River, Massachusetts	(84,000 s.f. — leased) (301,000 s.f. — owned)

Office Space

TJX, T.J. Maxx, Marshalls, HomeGoods, A.J. Wright	Framingham, Massachusetts	(1,082,000 s.f. — leased in several buildings)
Winners and HomeSense	Mississauga, Ontario	(91,000 s.f. — leased)
T.K. Maxx	Watford, England	(55,000 s.f. — leased)

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The table below indicates the approximate average store size as well as the gross square footage of stores and distribution centers, by division, as of January 26, 2002.

	Average Store Size	Total Square Feet	
		(In Thousands)	
		Stores	Distribution Centers
T.J. Maxx	30,000	20,307	2,796
Marshalls	31,000	18,083	3,202
Winners(1)	28,000	3,671	835
HomeSense	23,000	159	—
HomeGoods(2)	26,000	2,918	1,148
T.K. Maxx	26,000	2,671	628
A.J. Wright	26,000	1,180	301
Total		48,989	8,910

(1) Distribution centers currently services both Winners and HomeSense stores.

(2) A HomeGoods stand-alone store averages 29,000 square feet, while the HomeGoods portion of a superstore format averages 21,000 square feet.

ITEM 3. Legal Proceedings

TJX is a defendant in four lawsuits pending in the California Superior Court, each seeking certification as a class action. The actions collectively allege that all exempt managers in T.J. Maxx, Marshalls and HomeGoods stores in California, including store managers and assistant store managers, were improperly classified as exempt from California overtime laws and seek recovery of overtime pay allegedly owed, penalties, punitive damages and injunctive relief. TJX believes that its managers are and were properly classified and does not believe that the outcome of this litigation will have any material adverse affect on its financial condition or results of operations.

ITEM 4. Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of TJX's security holders during the fourth quarter of fiscal 2002.

ITEM 4A. Executive Officers of the Registrant

Name	Age	Office and Employment During Last Five Years
Arnold Barron	54	Executive Vice President, Chief Operating Officer of The Marmaxx Group since 2000. Senior Vice President, Group Executive of TJX from 1996 to 2000. Senior Vice President, General Merchandise Manager of the T.J. Maxx Division from 1993 to 1996; Senior Vice President, Director of Stores, 1984 to 1993; various store operation positions with TJX, 1979 to 1984.

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Name	Age	Office and Employment During Last Five Years
Bernard Cammarata	62	Chairman of the Board since 1999 and Chief Executive Officer of TJX from 1989 to 2000. President of TJX 1989 to 1999 and Chairman of TJX's T.J. Maxx Division from 1986 to 1995 and of The Marmaxx Group from 1995 to 2000. Executive Vice President of TJX from 1986 to 1989; President, Chief Executive Officer and a Director of TJX's former TJX subsidiary from 1987 to 1989 and President of TJX's T.J. Maxx Division from 1976 to 1986.
Donald G. Campbell	50	Executive Vice President — Finance since 1996 and Chief Financial Officer of TJX since 1989. Senior Vice President — Finance, from 1989 to 1996. Senior Financial Executive of TJX, 1988 to 1989; Senior Vice President — Finance and Administration, Zayre Stores Division, 1987 to 1988; Vice President and Corporate Controller of TJX, 1985 to 1987; various financial positions with TJX, 1973 to 1985.
Edmond J. English	49	Chief Executive Officer of TJX since 2000 and President and Director of TJX since 1999. Chairman of The Marmaxx Group from 2000 to 2001. Chief Operating Officer from 1999 to 2000, Senior Vice President and Group Executive from 1998 to 1999; Executive Vice President, Merchandising, Planning and Allocation of The Marmaxx Group from 1997 to 1998; Senior Vice President, Merchandising from 1995 to 1997; Vice President, Senior Merchandise Manager of the T.J. Maxx Division from 1991 to 1995; and has held various merchandising positions with TJX, from 1983 to 1991.
Peter A. Maich	54	Executive Vice President, Group Executive of TJX since 2000. Executive Vice President, Merchandising, The Marmaxx Group from 1996 to 2000; President of the T.J. Maxx Division, 1994 to 1996; various senior merchandising and operations positions at T.J. Maxx from 1985 to 1994.
Carol Meyrowitz	47	Executive Vice President of TJX and President of The Marmaxx Group since 2001. Executive Vice President, Merchandising, The Marmaxx Group 2000 to 2001 and Senior Vice President, Merchandising 1999 to 2000. Executive Vice President, Merchandising, Chadwick's of Boston, Ltd. from 1996 to 1999; Senior Vice President, Merchandising from 1991 to 1996 and Vice President, Merchandising from 1989 to 1991. Vice President, Division Merchandise Manager, Hit or Miss from 1987 to 1989.
Alex Smith	49	Executive Vice President, Group Executive, International, of TJX since 2001. Managing Director of T.K. Maxx from 1995 to 2001. Managing Director of Lane Crawford from 1994 to 1995. Managing Director of Owen Owen plc from 1990 to 1993 and Merchandise Director from 1987 to 1990.

All officers hold office until the next annual meeting of the Board in June 2002 and until their successors are elected, or appointed, and qualified.

PART II

ITEM 5. Market for the Registrant's Common Stock and Related Security Holder Matters

The information required by this Item is incorporated by reference from page 48 of the Annual Report, under the caption "Price Range of Common Stock," and from inside the back-cover of the Annual Report, under the caption "Shareholder Information."

ITEM 6. Selected Financial Data

The information required by this Item is incorporated by reference from page 17 of the Annual Report, under the caption "Selected Financial Data."

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this Item is incorporated by reference from pages 40 through 48 of the Annual Report, under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition."

ITEM 7A. Quantitative and Qualitative Disclosure about Market Risk

TJX is exposed to foreign currency exchange rate risk on its investment in its Canadian (Winners Merchants, Inc.) and European (T.K. Maxx) operations. As more fully described in the notes to the consolidated financial statements, we hedge a significant portion of our net investment and certain merchandise commitments in these operations with derivative financial instruments. TJX enters into derivative contracts only when there is an underlying economic exposure. TJX utilizes currency forward and swap contracts, designed to offset the gains or losses in the underlying exposures, most of which are recorded directly in shareholders' equity. The contracts are executed with banks we believe are creditworthy and are denominated in currencies of major industrial countries. We have performed a sensitivity analysis assuming a hypothetical 10% adverse movement in foreign exchange rates applied to the hedging contracts and the underlying exposures described above. As of January 26, 2002 the analysis indicated that such market movements would not have a material effect on our consolidated financial position, results of operations or cash flows.

TJX's cash equivalents and short-term investments and certain lines of credit bear variable interest rates. Changes in interest rates affect interest earned and paid by the Company. TJX generally does not use derivative instruments to offset the exposure to changes in interest rates on these items. Instead, TJX believes that the use of primarily fixed rate debt minimizes exposure to market conditions and the ensuing increases and decreases that could arise with variable rate financing.

TJX has performed a sensitivity analysis assuming a hypothetical 10% adverse movement in interest rates applied to the maximum variable rate debt outstanding during the previous year. As of January 26, 2002, the analysis indicated that such market movements would not have a material effect on our consolidated financial position, results of operations or cash flows.

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ITEM 8. Financial Statements and Supplementary Data

The information required by this Item and not filed with this report as Financial Statement Schedules is incorporated by reference from pages 18 through 38 of the Annual Report, under the captions; “Consolidated Statements of Income,” “Consolidated Balance Sheets,” “Consolidated Statements of Cash Flows,” “Consolidated Statements of Shareholders’ Equity,” and “Notes to Consolidated Financial Statements.”

ITEM 9. Disagreements on Accounting and Financial Disclosure

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

TJX will file with the Securities and Exchange Commission a definitive proxy statement no later than 120 days after the close of its fiscal year ended January 26, 2002. The information required by this Item and not given in Item 4A, under the caption “Executive Officers of the Registrant,” is incorporated by reference from pages 2 through 4 of the Proxy Statement, under the caption “Election of Directors.”

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference from pages 9 through 16 of the Proxy Statement, under the caption “Executive Compensation.”

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference from pages 7 through 8 of the Proxy Statement, under the caption “Beneficial Ownership.”

ITEM 13. Certain Relationships and Related Transactions

Not Applicable.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Financial Statement Schedules

The Financial Statements filed as part of this report are listed and indexed at Page F-1.

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(b) Reports on Form 8-K

TJX did not file any Current Reports on Form 8-K during the fourth quarter of fiscal 2002.

(c) Exhibits

Listed below are all exhibits filed as part of this report. Some exhibits are filed by the Registrant with the Securities and Exchange Commission pursuant to Rule 12b-32 under the Securities Exchange Act of 1934, as amended.

Exhibit No.	Description of Exhibit
3(i).1	Fourth Restated Certificate of Incorporation is incorporated herein by reference to Exhibit 99.1 to the Form 8-A/A filed September 9, 1999.
3(ii).1	The by-laws of TJX, as amended, are incorporated herein by reference to Exhibit 99.2 to the Form 8-A/A filed September 9, 1999.
4.1	Indenture between TJX and The Bank of New York dated as of February 13, 2001, incorporated by reference to Exhibit 4.1 of the Registration Statement on Form S-3 filed on May 9, 2001.
4.2	Registration Rights Agreement dated as of February 7, 2001 between TJX and Merrill Lynch & Co., incorporated by reference to Exhibit 4.2 of the Registration Statement on Form S-3 filed on May 9, 2001.
	Each other instrument relates to securities the total amount of which does not exceed 10% of the total assets of TJX and its subsidiaries on a consolidated basis. TJX agrees to furnish to the Securities and Exchange Commission copies of each such instrument not otherwise filed herewith or incorporated herein by reference.
10.1	Five-Year Revolving Credit Agreement dated as of March 26, 2002 among the financial institutions as lenders, Bank One, NA, Fleet National Bank, The Bank of New York, Bank of America, N.A. and JP Morgan Chase Bank, as co-agents, and TJX is filed herewith.
10.2	364-day Revolving Credit Agreement dated as of March 26, 2002 among the financial institutions as lenders, Bank One, NA, Fleet National Bank, The Bank of New York, Bank of America, N.A. and JP Morgan Chase Bank, as co-agents, and TJX is filed herewith.
10.3	The Employment Agreement dated as of April 17, 2000 between Edmond J. English and TJX is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended April 29, 2000. *
10.4	The Employment Agreement dated as of April 17, 2000 between Bernard Cammarata and TJX is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended April 29, 2000. *
10.5	The Amended and Restated Employment Agreement dated as of January 31, 1998 with Richard Lesser is incorporated herein by reference to Exhibit 10.3 to the Form 10-K

Exhibit No.	Description of Exhibit
	filed for the fiscal year ended January 31, 1998. The Amendment to the Employment Agreement dated as of December 6, 2001 is filed herewith. *
10.6	The Amended and Restated Employment Agreement dated as of January 28, 2001 with Donald G. Campbell is incorporated herein by reference to Exhibit 10.3 to the Form 10-Q filed for the quarter ended April 28, 2001.*
10.7	The Employment Agreement and the Change of Control Severance Agreement dated as of January 28, 2001 with Carol Meyrowitz are incorporated herein by reference to Exhibit 10.1 and 10.2 to the Form 10-Q filed for the quarter ended April 28, 2001. *
10.8	The Employment Agreement dated as of January 31, 2000 with Arnold Barron is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended October 28, 2000. The amendment to the Employment Agreement dated August 30, 2001 is filed herewith. *
10.9	The TJX Companies, Inc. Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended July 26, 1997. *
10.10	The 1982 Long Range Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(h) to the Form 10-K filed for the fiscal year ended January 29, 1994. *
10.11	The Stock Incentive Plan, as amended through June 5, 2001, is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended July 28, 2001.*
10.12	The TJX Companies, Inc. Long Range Performance Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10.3 to the Form 10-Q filed for the quarter ended July 26, 1997. *
10.13	The General Deferred Compensation Plan (1998 Restatement) and related First Amendment, effective January 1, 1999, are incorporated herein by reference to Exhibit 10.9 to the Form 10-K for the fiscal year ended January 30, 1999. The related Second Amendment, effective January 1, 2000, is incorporated herein by reference to Exhibit 10.10 to the Form 10-K filed for the fiscal year ended January 29, 2000. *
10.14	The Supplemental Executive Retirement Plan, as amended, is incorporated herein by reference to Exhibit 10(l) to the Form 10-K filed for the fiscal year ended January 25, 1992. *
10.15	The Executive Savings Plan and related Amendments No. 1 and No. 2, effective as of October 1, 1998, is incorporated herein by reference to Exhibit 10.12 to the Form 10-K filed for the fiscal year ended January 30, 1999. *
10.16	The Deferred Stock Plan for Non-Employee Directors effective January 1, 1998 is incorporated herein by reference to Exhibit 10.2 to the Form 10-K filed for the fiscal year ended January 31, 1998. *
10.17	The Agreement and the Form of the related Split Dollar Agreements dated October 28, 1999 between TJX and Bernard Cammarata are incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended October 31, 1999.*

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Exhibit No.	Description of Exhibit
10.18	The Agreement and the Form of the related Split Dollar Agreements dated February 29, 2000 between TJX and Richard Lesser are incorporated herein by reference to Exhibit 10.16 to the Form 10-K filed for the fiscal year ended January 29, 2000. *
10.19	The form of Indemnification Agreement between TJX and each of its officers and directors is incorporated herein by reference to Exhibit 10(r) to the Form 10-K filed for the fiscal year ended January 27, 1990. *
10.20	The Trust Agreement dated as of April 8, 1988 between TJX and State Street Bank and Trust Company is incorporated herein by reference to Exhibit 10(y) to the Form 10-K filed for the fiscal year ended January 30, 1988. *
10.21	The Trust Agreement dated as of April 8, 1988 between TJX and Fleet Bank (formerly Shawmut Bank of Boston, N.A.) is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for the fiscal year ended January 30, 1988. *
10.22	The Trust Agreement for Executive Savings Plan dated as of October 6, 1998 between TJX and Fleet Financial Bank is incorporated herein by reference to Exhibit 10.21 to the Form 10-K filed for the fiscal year ended January 29, 2000. *
10.23	The Distribution Agreement dated as of May 1, 1989 between TJX and HomeBase, Inc. (formerly Waban Inc.) is incorporated herein by reference to Exhibit 3 to TJX's Current Report on Form 8-K dated June 21, 1989. The First Amendment to Distribution Agreement dated as of April 18, 1997 between TJX and HomeBase, Inc. (formerly Waban Inc.) is incorporated herein by reference to Exhibit 10.22 to the Form 10-K filed for the fiscal year ended January 25, 1997.
10.24	The Indemnification Agreement dated as of April 18, 1997 by and between TJX and BJ's Wholesale Club, Inc. is incorporated herein by reference to Exhibit 10.23 to the Form 10-K filed for the fiscal year ended January 25, 1997.
13	Annual Report to Security Holders: Portions of the Annual Report to Stockholders for the fiscal year ended January 26, 2002 are filed herewith.
21	Subsidiaries: A list of the Registrant's subsidiaries is filed herewith.
23	Consents of Experts and Counsel: The Consent of PricewaterhouseCoopers LLP is contained on Page F-2 of the Financial Statements filed herewith.
24	Power of Attorney: The Power of Attorney given by the Directors and certain Executive Officers of TJX is filed herewith.

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE TJX COMPANIES, INC.

Dated: April 24, 2002

/s/ DONALD G. CAMPBELL

Donald G. Campbell
Executive Vice President — Finance

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ EDMOND J. ENGLISH

Edmond J. English, President and Principal Executive Officer and Director

DAVID A. BRANDON*

David A. Brandon, Director

BERNARD CAMMARATA*

Bernard Cammarata, Director

GARY L. CRITTENDEN*

Gary L. Crittenden, Director

GAIL DEEGAN*

Gail Deegan, Director

DENNIS F. HIGHTOWER*

Dennis F. Hightower, Director

/s/ DONALD G. CAMPBELL

Donald G. Campbell, Executive Vice President — Finance, Principal Financial and Accounting Officer

RICHARD LESSER*

Richard Lesser, Director

JOHN F. O'BRIEN*

John F. O'Brien, Director

ROBERT F. SHAPIRO*

Robert F. Shapiro, Director

WILLOW B. SHIRE*

Willow B. Shire, Director

FLETCHER H. WILEY*

Fletcher H. Wiley, Director

*By

/s/ DONALD G. CAMPBELL

Donald G. Campbell
as attorney-in-fact

Dated: April 24, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

THE TJX COMPANIES, INC.

FORM 10-K
ANNUAL REPORT

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

For the Fiscal Years Ended
January 26, 2002, January 27, 2001
and January 29, 2000

THE TJX COMPANIES, INC. AND SUBSIDIARIES
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Consolidated Statements of Shareholders' Equity for the fiscal years ended January 26, 2002, January 27, 2001 and January 29, 2000	21*
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* Refers to page numbers in TJX's Annual Report to Stockholders for the fiscal year ended January 26, 2002, certain portions of which pages are incorporated by reference in Part II, Item 8 of this report as indicated.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (Nos. 333-5501 and 333-60540) and on Forms S-8 (Nos. 333-63293, 33-49747, and 333-35073) of The TJX Companies, Inc. of our report dated February 26, 2002, except as to the stock split and the new credit facilities described in Note P which is as of April 10, 2002, relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K.

Boston, Massachusetts
April 24, 2002

PricewaterhouseCoopers LLP

F-2

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
10.1	Five-Year Revolving Credit Agreement dated as of March 26, 2002 among the financial institutions as lenders, Bank One, NA, Fleet National Bank, The Bank of New York, Bank of America, N.A. and JP Morgan Chase Bank, as co-agents, and TJX is filed herewith.
10.2	364-day Revolving Credit Agreement dated as of March 26, 2002 among the financial institutions as lenders, Bank One, NA, Fleet National Bank, The Bank of New York, Bank of America, N.A. and JP Morgan Chase Bank, as co-agents, and TJX is filed herewith
10.5	The Amended and Restated Employment Agreement dated as of January 31, 1998 with Richard Lesser is incorporated herein by reference to Exhibit 10.3 to the Form 10-K filed for the fiscal year ended January 31, 1998. The Amendment to the Employment Agreement dated as of December 6, 2001 is filed herewith. *
10.8	The Employment Agreement dated as of January 31, 2000 with Arnold Barron is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended October 28, 2000. The amendment to the Employment Agreement dated August 30, 2001 is filed herewith. *
13	Portions of the Annual Report to Stockholders for the fiscal year ended January 26, 2002 are filed herewith.
21	A list of the Registrant's subsidiaries is filed herewith.
23	The Consent of PricewaterhouseCoopers LLP is contained on Page F-2 of the Financial Statements filed herewith.
24	The Power of Attorney given by the Directors and certain Executive Officers of the Company is filed herewith.

=====

5-YEAR REVOLVING CREDIT AGREEMENT
Dated as of March 26, 2002

among

THE TJX COMPANIES, INC.,

as the Borrower,

THE FINANCIAL INSTITUTIONS NAMED HEREIN,

as the Lenders,

BANK ONE, NA,

as Administrative Agent,

FLEET NATIONAL BANK,

and

THE BANK OF NEW YORK,

as Syndication Agents,

and

BANK OF AMERICA, N.A. and JPMORGAN CHASE BANK
as Documentation Agents

=====

FLEET SECURITIES, INC.

and

BNY CAPITAL MARKETS, INC.
as Co-Lead Arrangers and Joint Book Runners

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EXHIBITS

- - - - -

- Exhibit A-1 Form of Syndicated Note (if requested)
- Exhibit A-2 Form of Bid Rate Note (if requested)
- Exhibit A-3 Form of Swing Line Note (if requested)
- Exhibit B Required Opinions
- Exhibit C Form of Compliance Certificate
- Exhibit D Form of Assignment Agreement
- Exhibit E Form of Loan/Credit Related Money Transfer Instruction
- Exhibit F-1 Form of Syndicated Advance Borrowing Notice
- Exhibit F-2 Form of Swing Line Borrowing Notice
- Exhibit F-3 Form of Bid Rate Advance Borrowing Notice
- Exhibit G Form of Prepayment Notice
- Exhibit H Form of Conversion/Continuation Notice
- Exhibit I Form of Facility Guaranty
- Exhibit J Form of Designation Agreement

THIS 5-YEAR REVOLVING CREDIT AGREEMENT, dated as of March 26, 2002, is among THE TJX COMPANIES, INC., as the Borrower, THE FINANCIAL INSTITUTIONS NAMED HEREIN, as the Lenders, BANK ONE, NA, having its principal place of business in Chicago, Illinois, as the Administrative Agent, FLEET NATIONAL BANK and THE BANK OF NEW YORK, as Syndication Agents, and BANK OF AMERICA, N.A. and JPMORGAN CHASE BANK, as Documentation Agents. The parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.1 CERTAIN DEFINED TERMS. As used in this Agreement the following terms shall have the following meanings, such meanings being equally applicable to both the singular and plural forms of the terms defined:

"ABSOLUTE RATE AUCTION" has the meaning specified in SECTION 2.10(b)(i).

"ACCOUNTING CHANGES" has the meaning specified in SECTION 9.9.

"ACQUISITION" means any transaction, or any series of related transactions, by which the Borrower or any of its Subsidiaries (a) acquires any going business or all or substantially all of the assets of any firm, corporation or division thereof which constitutes a going business, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency), or a majority (by percentage or voting power) of the outstanding partnership interests of a partnership or a majority (by percentage or voting power) of the outstanding ownership interests of a limited liability company.

"ADMINISTRATIVE AGENT" means Bank One in its capacity as contractual representative for the Lenders pursuant to ARTICLE X, and not in its capacity as a Lender, and any successor Administrative Agent appointed pursuant to ARTICLE X.

"ADVANCE" means a Syndicated Advance or a Bid Rate Advance.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 20% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise; PROVIDED THAT no individual shall be an Affiliate solely by reason of being, or actions taken as, a director, officer or employee.

"AGGREGATE COMMITMENT" means the aggregate of the Commitments of all the Lenders, as adjusted from time to time pursuant to the terms hereof. The initial Aggregate Commitment hereunder is Three Hundred Fifty Million Dollars (\$350,000,000).

"AGREEMENT" means this 5-Year Revolving Credit Agreement, as it may from time to time be amended, restated, supplemented or otherwise modified.

"AGREEMENT ACCOUNTING PRINCIPLES" means generally accepted accounting principles as in effect in the United States from time to time; PROVIDED, HOWEVER, that except as provided in SECTION 9.9, with respect to the calculation of financial ratios set forth in SECTIONS 6.16 and 6.17 (and the defined terms used in such Sections), "Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States as of January 27, 2001 (as modified by Statement of Financial Accounting Standards (SFAS) Nos. 133, 141, 142, 143 and 144 and as otherwise applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in SECTION 5.4 hereof). An Affiliate of the Borrower which is consolidated with the accounts of the Borrower in accordance with Agreement Accounting Principles shall for all accounting and financial tests contained in this Agreement be treated as a Subsidiary hereunder.

"ALTERNATE BASE RATE" means, for any day, a rate of interest per annum equal to the higher of (a) the Prime Rate for such day and (b) the sum of Federal Funds Effective Rate for such day PLUS 0.50% per annum.

"APPLICABLE FACILITY FEE RATE" means, from time to time, the Applicable Facility Fee Rate set forth in SECTION 2.21.

"APPLICABLE UTILIZATION FEE RATE" means, from time to time, the Applicable Utilization Fee Rate set forth in SECTION 2.21.

"ARRANGERS" means Fleet Securities, Inc. and BNY Capital Markets, Inc., in their capacities as co-lead arrangers and joint book runners.

"ARTICLE" means an article of this Agreement unless another document is specifically referenced.

"AUTHORIZED OFFICER" means any of the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Controller or the Treasurer of the Borrower, acting singly.

"BANK ONE" means Bank One, NA, having its principal place of business in Chicago, Illinois, in its individual capacity, and its successors.

"BID RATE ADVANCE" means a borrowing consisting of simultaneous Bid Rate Loans to the Borrower from each of the Lenders whose offer to make a Bid Rate Loan as part of such borrowing has been accepted by the Borrower under the applicable auction bidding procedure described in SECTION 2.10.

"BID RATE ADVANCE BORROWING NOTICE" has the meaning specified in SECTION 2.10(b)(i).

"BID RATE INTEREST PERIOD" means, (i) with respect to a Bid Rate Advance priced based on the Eurodollar Base Rate, a period of one, two, three or six months commencing on a

Business Day selected by the Borrower pursuant to this Agreement and (ii) with respect to a Bid Rate Advance priced at an absolute rate per annum, a period of from one to 180 days commencing on a Business Day selected by the Borrower pursuant to this Agreement.

"BID RATE LOAN" means a loan by a Lender to the Borrower as part of a Bid Rate Advance resulting from the applicable auction bidding procedure described in SECTION 2.10.

"BID RATE NOTE" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of EXHIBIT A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from the Bid Rate Loans made by such Lender to the Borrower.

"BID RATE REDUCTION" has the meaning specified in SECTION 2.1.

"BNY" means The Bank of New York, in its individual capacity, and its successors.

"BORROWER" means The TJX Companies, Inc., a Delaware corporation, and its successors and assigns.

"BORROWING DATE" means a date on which an Advance or a Swing Line Loan is made hereunder.

"BORROWING NOTICE" means a Syndicated Advance Borrowing Notice, a Swing Line Borrowing Notice or a Bid Rate Advance Borrowing Notice.

"BUSINESS DAY" means (a) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago, Illinois, New York, New York and London, England for the conduct of substantially all of their commercial lending activities and (b) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago, Illinois for the conduct of substantially all of their commercial lending activities.

"CAPITALIZED LEASE" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CAPITALIZED LEASE OBLIGATIONS" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CHANGE" has the meaning specified in SECTION 3.2.

"CHANGE IN CONTROL" means:

(a) the acquisition by any Person, or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) of Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and

Exchange Commission under the Securities Exchange Act of 1934, as amended), directly or indirectly, of 50% or more of the outstanding shares of voting stock of the Borrower; or

(b) during any period of twelve (12) consecutive calendar months, individuals:

(i) who were directors of the Borrower on the first day of such period; or

(ii) whose election or nomination for election to the board of directors of the Borrower was recommended or approved by at least a majority of the directors then still in office who were directors of the Borrower on the first day of such period, or whose election or nomination for election was so approved,

shall cease to constitute a majority of the board of directors of the Borrower.

"CHIEF FINANCIAL OFFICER" means, at any time, the Person who reports to the board of directors of the Borrower on the financial affairs of the Borrower and its Subsidiaries.

"CODE" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"COMBINED COMMITMENT" means the sum of (a) the Aggregate Commitment hereunder and (b) (i) prior to the "Conversion Date" (as defined in the 364-Day Credit Agreement), the "Aggregate Commitment" under and as defined in the 364-Day Credit Agreement and (ii) from and after the "Conversion Date" (as defined in the 364-Day Credit Agreement), the aggregate principal amount of all "Loans" under and as defined in the 364-Day Credit Agreement.

"COMBINED UTILIZED AMOUNT" means (1) the sum of all Loans (whether Syndicated Loans, Bid Rate Loans or Swing Line Loans) and L/C Obligations hereunder, and (2) the aggregate principal amount of all "Loans" (whether "Syndicated Loans" or "Bid Rate Loans") under and as defined in the 364-Day Credit Agreement.

"COMMITMENT" means, for each Lender, the obligation of such Lender to make Syndicated Loans and to purchase participations in Letters of Credit and in Swing Line Loans not exceeding, in the aggregate, the amount set forth opposite its name on SCHEDULE 1 hereto or as set forth in any Notice of Assignment relating to any assignment that has become effective pursuant to SECTION 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

"CONDEMNATION" has the meaning specified in SECTION 7.8.

"CONSOLIDATED FIXED CHARGES" for any period means, on a consolidated basis for the Borrower and all of its Subsidiaries for such period, the sum of (a) Consolidated Interest Expense (net of consolidated interest income) and (b) all payments of Consolidated Rentals by

the Borrower or any of its Subsidiaries, all as determined in accordance with Agreement Accounting Principles.

"CONSOLIDATED INTEREST EXPENSE" means, for any period, the aggregate amount of interest, including payments in the nature of interest under Capitalized Lease Obligations and the discount or implied interest component of Off-Balance Sheet Liabilities (but exclusive of payments in the nature of interest with respect to the Borrower's Liquid Yield Option(TM) Notes due 2021 (Zero Coupon - Subordinated) issued by the Borrower on February 13, 2001), paid in cash by the Borrower and its Subsidiaries on a consolidated basis in accordance with Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries for such period determined in accordance with Agreement Accounting Principles; PROVIDED, that there shall be excluded from such amount (i) the income (or loss) of any Affiliate of the Borrower or other Person (other than a Subsidiary of the Borrower) in which any Person (other than the Borrower or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Subsidiaries by such Affiliate or other Person during such period and (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries or that Person's assets are acquired by the Borrower or any of its Subsidiaries.

"CONSOLIDATED NET WORTH" means, as of the date of any determination thereof, the consolidated shareholders' equity of the Borrower and its Subsidiaries determined in accordance with Agreement Accounting Principles.

"CONSOLIDATED RENTALS" means, for any period, the aggregate rental amounts payable by the Borrower and its Subsidiaries for such period under any lease of Property having an original term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more (but does not include any amounts payable under Capitalized Leases), determined in accordance with Agreement Accounting Principles; PROVIDED, HOWEVER, that there shall be excluded from such calculation rentals in respect of discontinued operations and other store closings reflected in the Borrower's consolidated financial statements (or the footnotes thereto) to the extent such rentals relate to operations for which a charge has been taken and/or reserve established in accordance with Agreement Accounting Principles and which do not exceed the amount of such charge and/or reserve, the amount of which charge and/or reserve has been established consistent with Agreement Accounting Principles.

"CONSOLIDATED TOTAL ASSETS" means, as of the date of any determination thereof, the total assets of the Borrower and its Subsidiaries on a consolidated basis determined in accordance with Agreement Accounting Principles.

"CONTINGENT OBLIGATION" of a Person means any agreement, written undertaking or contractual arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the financial or monetary obligation or financial or monetary liability of any other Person (excluding customary indemnification obligations arising from a purchase and sale

agreement negotiated at arm's length and typical for transactions of a similar nature), or agrees in writing to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person in writing against loss, including, without limitation, any operating agreement, take-or-pay contract or application for or reimbursement agreement with respect to a letter of credit (including any Letter of Credit).

"CONTROLLED GROUP" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"CONVERSION/CONTINUATION NOTICE" has the meaning specified in SECTION 2.7.

"CREDIT RATINGS" has the meaning specified in SECTION 2.21.

"DEFAULT" means an event described in ARTICLE VII.

"DESIGNATED LENDER" means, with respect to each Designating Lender, each Eligible Designee designated by such Designating Lender pursuant to SECTION 12.4(a).

"DESIGNATING LENDER" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to such SECTION 12.4(a).

"DISQUALIFIED STOCK" means, for any Person, any capital stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the Facility Termination Date.

"DOLLARS" and "\$" mean the lawful money of the United States.

"EBITDAR" for any period means the sum, without duplication, of (a) Consolidated Net Income during such period, PLUS (to the extent deducted in determining Consolidated Net Income) (b) all provisions for any foreign, federal, state and local taxes paid or accrued by the Borrower or any of its Subsidiaries during such period, PLUS (to the extent deducted in determining Consolidated Net Income) (c) Consolidated Interest Expense of the Borrower or any of its Subsidiaries during such period, MINUS (to the extent included in determining Consolidated Net Income) (d) extraordinary gains (and any unusual gains whether or not arising in the ordinary course of business not included in extraordinary gains) to the extent not included in income from continuing operations, PLUS (to the extent deducted in determining Consolidated Net Income) (e) consolidated depreciation, PLUS (to the extent deducted in determining Consolidated Net Income) (f) consolidated amortization expense, including without limitation, amortization of goodwill and other intangible assets and other non-cash charges but excluding reserves, PLUS (to the extent deducted in determining Consolidated Net Income) (g) Consolidated Rentals, PLUS (to the extent deducted in determining Consolidated Net Income) (h) extraordinary losses; all of such items as determined in accordance with Agreement Accounting Principles.

"ELIGIBLE DESIGNEE" means a special purpose corporation, partnership, limited partnership or limited liability company that is administered or sponsored by a Lender or an Affiliate of a Lender and (i) is organized under the laws of the United States or any state thereof, (ii) is engaged primarily in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"ELIGIBLE PARTICIPANT" means (i) a Lender or any Affiliate thereof which is a commercial bank, (ii) any other commercial bank having capital and surplus in excess of \$100,000,000 or (iii) an Eligible Designee.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to federal, state and local laws or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 ET SEQ., the Occupational Safety and Health Act of 1970, 29 U.S.C. ss. 651 ET SEQ., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. ss. 6901 ET SEQ., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state or local equivalent thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"EURODOLLAR ADVANCE" means a Syndicated Advance denominated in Dollars that bears interest at a Eurodollar Rate.

"EURODOLLAR APPLICABLE MARGIN" means, from time to time, the Eurodollar Applicable Margin set forth in SECTION 2.21.

"EURODOLLAR BASE RATE" means, with respect to a Eurodollar Advance for the relevant Eurodollar Interest Period, or with respect to a Bid Rate Advance priced based on the Eurodollar Base Rate for the applicable Bid Rate Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in Dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, PROVIDED that, (i) if Reuters Screen FRBD is not available to the Administrative Agent for any reason, the applicable Eurodollar Base Rate for the relevant Eurodollar Interest Period or Bid Rate Interest Period, as applicable, shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in Dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, and (ii) if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Eurodollar Interest Period or Bid Rate Interest Period, as applicable, shall instead be the rate determined by the Administrative Agent to be the rate at which Bank One or one of its affiliate banks offers to place deposits in Dollars with first-class banks in the London interbank market at

approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, in the approximate amount of Bank One's relevant Eurodollar Advance or Bid Rate Advance, as applicable, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, as applicable.

"EURODOLLAR INTEREST PERIOD" means, with respect to a Eurodollar Advance, a period of one, two, three, six or, if available, twelve months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Eurodollar Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three, six or twelve months thereafter, unless there is no such numerically corresponding day in such next, second, third, sixth or twelfth succeeding month, in which case such Eurodollar Interest Period shall end on the last Business Day of such next, second, third, sixth or twelfth succeeding month. If a Eurodollar Interest Period would otherwise end on a day which is not a Business Day, such Eurodollar Interest Period shall end on the next succeeding Business Day, unless said next succeeding Business Day falls in a new calendar month, in which case such Eurodollar Interest Period shall end on the immediately preceding Business Day.

"EURODOLLAR LOAN" means a Syndicated Loan or Bid Rate Loan denominated in Dollars which bears interest at the Eurodollar Rate.

"EURODOLLAR RATE" means, with respect to a Eurodollar Advance for the relevant Eurodollar Interest Period, the sum of (a) the quotient of (i) the Eurodollar Base Rate applicable to such Eurodollar Interest Period, divided by (ii) one minus the Reserves (expressed as a decimal) applicable to such Eurodollar Interest Period, PLUS (b) the Eurodollar Applicable Margin in effect from time to time during such Eurodollar Interest Period. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"EXISTING CREDIT AGREEMENTS" means, collectively, (i) that certain Credit Agreement dated as of September 18, 1997 among the Borrower, the financial institutions named therein, Bank One, NA (f/k/a The First National Bank of Chicago), as administrative agent, and the other agents and co-agents thereunder, as amended by that certain Amendment and Waiver No. 1 dated as of December 17, 1997 and Amendment No. 2 dated as of June 23, 2000, and (ii) that certain 364-Day Credit Agreement dated as of July 6, 2001 among the Borrower, the financial institutions named therein, Bank One, as administrative agent, BNY, as syndication agent, and Fleet, as documentation agent.

"FACILITY GUARANTY" means a guaranty, substantially in the form of EXHIBIT I hereto, duly executed and delivered by one or more Material Subsidiaries of the Borrower to and in favor of the Administrative Agent for the benefit of itself, the Issuing Lenders, the Swing Line Lender, and the Lenders, as the same may from time to time be amended, restated, supplemented or otherwise modified.

"FACILITY TERMINATION DATE" means March 26, 2007.

"FAIR VALUE" means the value of the relevant asset determined in an arm's-length transaction conducted in good faith between an informed and willing buyer and an informed and willing seller under no compulsion to buy or sell.

"FEDERAL FUNDS EFFECTIVE RATE" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FEE LETTER" means that certain fee letter dated as of February 15, 2002 among the Borrower, the Syndication Agents and the Arrangers, as amended, restated, supplemented or otherwise modified from time to time.

"FIXED CHARGE COVERAGE RATIO" means the ratio of (a) EBITDAR to (b) Consolidated Fixed Charges.

"FLEET" means Fleet National Bank, in its individual capacity, and its successors.

"FLOATING RATE" means, for any day, a rate per annum equal to the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes.

"FLOATING RATE ADVANCE" means a Syndicated Advance denominated in Dollars which bears interest at the Floating Rate.

"FLOATING RATE LOAN" means a Syndicated Loan denominated in Dollars which bears interest at the Floating Rate.

"FUNDED DEBT" of any Person means, without duplication, all obligations of such Person for money borrowed which in accordance with Agreement Accounting Principles shall be classified upon a balance sheet of such Person as liabilities of such Person, and in any event shall include (a) all Capitalized Lease Obligations of such Person and (b) all Contingent Obligations of such Person with respect to money borrowed, but shall exclude (i) notes, bills and checks presented in the ordinary course of business by such Person to banks for collection or deposit, (ii) with reference to the Borrower and its Subsidiaries, all obligations of the Borrower and its Subsidiaries of the character referred to in this definition to the extent owing to the Borrower or any Subsidiary, (iii) bankers acceptances which, in accordance with Agreement Accounting Principles, are classified as accounts payable and (iv) Contingent Obligations set forth on SCHEDULE 6.14. Without in any way limiting the foregoing, Funded Debt of the Borrower shall include all Loans outstanding under this Agreement and all "Loans" outstanding under and as defined in the 364-Day Agreement.

"GOVERNMENTAL ACTS" has the meaning specified in SECTION 2.20.9.

"GOVERNMENTAL AUTHORITY" means any country or nation, any political subdivision of such country or nation, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government of any country or nation or political subdivision thereof.

"GROSS NEGLIGENCE" means either recklessness or actions taken or omitted with conscious indifference to or the complete disregard of consequences. Gross Negligence does not mean the absence of ordinary care or diligence, or an inadvertent act or inadvertent failure to act. If the term "gross negligence" is used with respect to the Administrative Agent or any Lender or any indemnitee in any of the Loan Documents, it shall have the meaning set forth herein.

"INDEBTEDNESS" of a Person means, without duplication, such Person's (a) obligations for borrowed money, (b) obligations representing the deferred purchase price of Property or services (other than (i) accounts payable and (ii) bankers acceptances classified in accordance with Agreement Accounting Principles as accounts payable, in each case arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances (to the extent not classified as accounts payable in accordance with Agreement Accounting Principles), or other similar instruments, (e) Capitalized Lease Obligations, (f) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, (g) all Off-Balance Sheet Liabilities of such Person, (h) all Disqualified Stock and (i) any other obligation in writing for borrowed money or financial accommodation with respect to other items included in the definition of Indebtedness above which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person, but excluding, in any event, (i) amounts payable by such Person in respect of covenants not to compete, and (ii) with reference to the Borrower and its Subsidiaries, all obligations of the Borrower and its Subsidiaries of the character referred to in this definition to the extent owing to the Borrower or any Subsidiary of the Borrower.

"INDEMNIFIED MATTERS" has the meaning specified in SECTION 9.7(b).

"INDEMNITEES" has the meaning specified in SECTION 9.7(b).

"INDEXED RATE AUCTION" has the meaning specified in SECTION 2.10(b)(i).

"INTELLECTUAL PROPERTY" means (i) any and all intangible personal property consisting of intellectual property, whether or not registered with any governmental entity, including, without limitation, franchises, licenses, patents, technology and know-how, copyrights, trademarks, trade secrets, service marks, logos and trade names and (ii) any and all contract rights (including, without limitation, applications for governmental registrations, license agreements, trust agreements and assignment agreements) creating, evidencing or conveying an interest or right in or to any of the intellectual property described in the preceding CLAUSE (i).

"INTEREST PERIOD" means a Eurodollar Interest Period.

"INVESTMENT" of a Person means any loan, advance (other than commission, travel and other loans, credits and advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade), deposit account or contribution of capital by such Person to any other Person or any investment in, or purchase or other acquisition of, the stock,

partnership interests, ownership interests in any limited liability company, notes, debentures or other securities of any other Person made by such Person (other than anticipatory prepayments to vendors in the ordinary course of business consistent with past practice).

"ISSUING LENDER" means Bank One and any other Lender which, at the Borrower's request, agrees, in each such Lender's sole discretion, to become an Issuing Lender for the purpose of issuing Letters of Credit, and their respective successors and assigns, in each case in such Lender's separate capacity as an issuer of Letters of Credit pursuant to SECTION 2.20. The designation of any Lender as an Issuing Lender after the date hereof shall be subject to the prior written consent of the Administrative Agent which consent shall not be unreasonably withheld.

"L/C DRAFT" means a draft drawn on an Issuing Lender pursuant to any of the Letters of Credit.

"L/C INTEREST" has the meaning specified in SECTION 2.20.5.

"L/C OBLIGATIONS" means an amount equal to the sum (without duplication) of (i) the aggregate of the amount then available for drawing under each of the Letters of Credit, (ii) the face amounts of all outstanding L/C Drafts corresponding to the Letters of Credit, which L/C Drafts have been accepted by the Issuing Lenders and (iii) the aggregate outstanding amount of Reimbursement Obligations at such time.

"LENDERS" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"LENDING INSTALLATION" means, with respect to a Lender, any office, branch, subsidiary or affiliate of such Lender.

"LETTER OF CREDIT" means any standby or commercial letter of credit issued pursuant to SECTION 2.20.

"LEVERAGE RATIO" means, with respect to the last day of any fiscal quarter, the ratio of:

(i) the sum of (a) Funded Debt of the Borrower and its Subsidiaries on a consolidated basis, PLUS (b) an amount equal to the product of four (4) multiplied by Consolidated Rentals for the period of four consecutive fiscal quarters ending on such day to

(ii) the sum of (a) Funded Debt of the Borrower and its Subsidiaries on a consolidated basis, plus (b) an amount equal to the product of four (4) multiplied by Consolidated Rentals for the period of four consecutive fiscal quarters ending on such day plus (c) Consolidated Net Worth.

"LIEN" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without

limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"LOAN" means a Syndicated Loan, a Bid Rate Loan or a Swing Line Loan.

"LOAN DOCUMENTS" means this Agreement, any Notes, the Facility Guaranties, the applications, reimbursement agreements and other instruments and agreements related to the Letters of Credit and L/C Interests and all other documents, instruments and agreements executed in connection therewith or contemplated thereby, as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on (a) the business, financial condition, operations, performance or Property of the Borrower and its Subsidiaries on a consolidated basis, (b) the ability of the Borrower to perform its obligations under the Loan Documents, or (c) the validity or enforceability of any of the Loan Documents or any material rights or remedies of the Administrative Agent or the Lenders thereunder.

"MATERIAL INDEBTEDNESS" means any Indebtedness, or group of different Indebtedness, in an aggregate principal amount of at least \$20,000,000.

"MATERIAL SUBSIDIARY" means (a) T.J. Maxx of CA, LLC, a Delaware limited liability company, T.J. Maxx of IL, LLC, a Delaware limited liability company, Marshalls of CA, LLC, a Delaware limited liability company, Marshalls of IL, LLC, a Delaware limited liability company, Marmaxx Operating Corp., a Delaware corporation, Marshalls of MA, Inc., a Massachusetts corporation, NBC Fourth Realty Corp., a Nevada corporation, Marshall's of Nevada, Inc., a Nevada corporation, NBC Operating, LLC, a Delaware limited liability company, NBC Trust, a Massachusetts business trust, Marshalls of Richfield, MN, Inc., a Minnesota corporation, and Newton Buying Company of CA, Inc., a Delaware corporation; (b) any domestic Subsidiary of the Borrower which owns, directly or indirectly, greater than ten percent (10%) of the total consolidated assets of the Borrower and its Subsidiaries; and (c) any other domestic Subsidiary in connection with which the Borrower shall provide written notice to the Agent designating such entity to be a Material Subsidiary and which shall become a party to the Facility Guaranty pursuant to the terms of SECTION 6.20.

"MONEY MARKET RATE" is defined in SECTION 2.9(a).

"MONEY MARKET RATE LOAN" means a Swing Line Loan which bears interest at a Money Market Rate.

"MOODY'S" means Moody's Investors Service, Inc.

"MULTIEMPLOYER PLAN" means a Plan, if any, maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one non-Affiliated employer is obligated to make contributions.

"NOTE" means a Syndicated Note, a Bid Rate Note or a Swing Line Note.

"NOTICE OF ASSIGNMENT" has the meaning specified in SECTION 12.3.2.

"OBLIGATIONS" means all unpaid principal of and accrued and unpaid interest on the Loans, all L/C Obligations, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Administrative Agent or any indemnified party hereunder arising under the Loan Documents.

"OFF-BALANCE SHEET LIABILITY" of a Person means (i) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable sold by such Person or any of its Subsidiaries (calculated to include the unrecovered investment of purchasers or transferees of accounts or any other obligation of such Person or such transferor to purchasers/transferees of interests in accounts or notes receivable or the agent for such purchasers/transferees), (ii) any liability under any sale and leaseback transaction which is not a Capitalized Lease, (iii) any liability under any financing lease or Synthetic Lease or "tax ownership operating lease" transaction entered into by such Person, including any Synthetic Lease Obligations, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding from this CLAUSE (iv) Operating Leases.

"OPERATING LEASE" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee.

"PARTICIPANT" has the meaning specified in SECTION 12.2.1.

"PAYMENT OFFICE" means the principal office of the Administrative Agent in Chicago, Illinois, located on the date hereof at 1 Bank One Plaza, Chicago, Illinois 60670 or such other office of the Administrative Agent as the Administrative Agent may from time to time designate by written notice to the Borrower and the Lenders.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"PERMITTED ACQUISITION" means any Acquisition made by the Borrower or any of its Subsidiaries, PROVIDED that upon giving effect to each such Acquisition (a) the Person so acquired by the Borrower shall have either been merged into the Borrower or a Subsidiary (with the Borrower or the Subsidiary as the surviving entity) or such Person shall have become a Subsidiary of the Borrower; (b) no Default or Unmatured Default shall exist; (c) the Acquisition is consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired; and (d) involves the purchase of a business line similar, related, complementary or incidental to that of the Borrower and its Subsidiaries as of the date of this Agreement.

"PERSON" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"PLAN" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"PREPAYMENT NOTICE" has the meaning specified in SECTION 2.5.

"PRIME RATE" means the per annum rate announced by the Administrative Agent (or its parent) from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Administrative Agent to any of its customers), which prime rate shall change simultaneously with any change in such announced rate.

"PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (A) such Lender's Commitment at such time (as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Commitment at such time; PROVIDED, that if the Commitments are terminated pursuant to the terms of this Agreement, then "Pro Rata Share" means the percentage obtained by dividing (x) the sum of each Lender's L/C Obligations, Syndicated Loans and Swing Line Loans by (y) the aggregate amount of all Syndicated Loans, Swing Line Loans and L/C Obligations; PROVIDED, HOWEVER, if the Aggregate Commitment has been terminated at a time when only Bid Rate Loans are outstanding, "Pro Rata Share" means the percentage obtained by dividing (x) the sum of each Lender's Bid Rate Loans by (y) the aggregate amount of all Bid Rate Loans.

"PROPERTY" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"PURCHASERS" has the meaning specified in SECTION 12.3.1.

"RATED DEBT" means the Borrower's senior unsecured non-credit-enhanced long-term Indebtedness, which Indebtedness does not benefit from guaranties or other credit enhancement provided by any of the Borrower's Subsidiaries.

"REGULATION D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"REGULATION T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by and to brokers and dealers of securities for the purpose of purchasing or carrying margin stocks.

"REGULATION U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"REGULATION X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"REIMBURSEMENT OBLIGATION" is defined in SECTION 2.20.6.

"REPORTABLE EVENT" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; PROVIDED, HOWEVER, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"REQUIRED LENDERS" means Lenders having, in the aggregate, at least 51% of the Aggregate Commitment; PROVIDED, HOWEVER, that in the event any of the Lenders shall have failed to fund a portion of any Syndicated Advance requested by the Borrower, any participation in any Letter of Credit or any refunding of or participation in any Swing Line Loan which such Lenders are obligated to fund under the terms of this Agreement and any such failure has not been cured, then for so long as such failure continues, "REQUIRED LENDERS" means Lenders (excluding all such defaulting Lenders) having, in the aggregate, at least 51% of the aggregate Commitments of such non-defaulting Lenders; PROVIDED, FURTHER, HOWEVER, that, if the Aggregate Commitment has been terminated pursuant to the terms of this Agreement, "REQUIRED LENDERS" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate outstanding principal balance of all Syndicated Loans and L/C Obligations is equal to or greater than 51%; PROVIDED, FURTHER, HOWEVER, if the Aggregate Commitment has been terminated at a time when only Bid Rate Loans are outstanding, "Required Lenders" means Lenders whose aggregate outstanding principal balance of all Bid Rate Loans is equal to or greater than 51%.

"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation, including Environmental, Health or Safety Requirements of Law.

"RESERVES" means, with respect to a Eurodollar Interest Period, the maximum aggregate reserves (including all basic, supplemental, marginal and other reserves) imposed under Regulation D on Eurocurrency liabilities.

"RISK-BASED CAPITAL GUIDELINES" has the meaning specified in SECTION 3.2.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"SALE AND LEASEBACK TRANSACTION" means any sale or other transfer of Property by any Person with intent to lease such Property as lessee pursuant to a Capitalized Lease.

"SECTION" means a numbered section of this Agreement, unless another document is specifically referenced.

"SINGLE EMPLOYER PLAN" means a Plan, if any, maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group. The term "Single Employer Plan" does not include any Multiemployer Plan.

"SPECIFIED REMITTANCE TIME" means (a) if the relevant Payment Office is located in Chicago, Illinois, 1:00 p.m. (Chicago time) and (b) if the relevant Payment Office is located elsewhere, such time as the Administrative Agent shall specify after consultation with the Lenders and the consent of the Borrower, which consent shall not be unreasonably withheld.

"SUBSIDIARY" of a Person means (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"SUBSTANTIAL PORTION" means, with respect to the Property of any Person and its Subsidiaries, Property which:

(a) when aggregated with all other Property in accordance with SECTION 6.11 (i) represents more than 15% of the consolidated assets of such Person and its Subsidiaries as would be shown in the consolidated financial statements of such Person and its Subsidiaries as at the beginning of the fiscal year in which such determination is made, or (ii) is responsible for more than 15% of the consolidated net sales of such Person and its Subsidiaries as reflected in the financial statements referred to in CLAUSE (I) above; or

(b) in any individual transaction or series of related transactions (i) represents more than 10% of the consolidated assets of such Person and its Subsidiaries as would be shown in the consolidated financial statements of such Person and its Subsidiaries as at the beginning of the fiscal year in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales of such Person and its Subsidiaries as reflected in the financial statements referred to in CLAUSE (i) above.

"SWING LINE BORROWING NOTICE" has the meaning specified in SECTION 2.9(b).

"SWING LINE COMMITMENT" means the obligation of the Swing Line Lender to make Swing Line Loans up to a maximum principal amount of \$25,000,000 at any one time outstanding.

"SWING LINE LENDER" means Bank One or any other Lender as a successor Swing Line Lender.

"SWING LINE LOAN" means a loan made available to the Borrower by the Swing Line Lender pursuant to SECTION 2.9.

"SWING LINE NOTE" means a Note in substantially the form of EXHIBIT A-3 hereto duly executed by the Borrower and payable to the order of the Swing Line Lender in the amount of its Swing Line Commitment.

"SYNDICATED ADVANCE" means a borrowing consisting of simultaneous Syndicated Loans of the same Type made to the Borrower by each of the Lenders pursuant to SECTION 2.1, and, in the case of Eurodollar Advances, for the same Interest Period.

"SYNDICATED ADVANCE BORROWING NOTICE" has the meaning specified in SECTION 2.6.

"SYNDICATED LOAN" means a loan by a Lender to the Borrower as part of a Syndicated Advance.

"SYNDICATED NOTE" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of EXHIBIT A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Syndicated Loans made by such Lender to the Borrower.

"SYNDICATION AGENTS" means, collectively, Fleet and BNY, and their respective successors and assigns.

"SYNTHETIC LEASE" means a so-called "synthetic" lease that is not treated as a capital lease under Agreement Accounting Principles, but that is treated as a financing under the Code.

"SYNTHETIC LEASE OBLIGATIONS" means, collectively, the payment obligations of the Borrower or any of its Subsidiaries pursuant to a Synthetic Lease.

"364-DAY CREDIT AGREEMENT" means that certain 364-Day Credit Agreement dated as of March 26, 2002 among the Borrower, the financial institutions named therein, Bank One, as the administrative agent thereunder, Fleet and BNY, as the syndication agents thereunder, and Bank of America, N.A. and JPMorgan Chase Bank, as the documentation agents thereunder, as the same may be further amended, restated, supplemented or otherwise modified and as in effect from time to time.

"TRANSFEREE" has the meaning specified in SECTION 12.5.

"TYPE" means, (a) with respect to any Syndicated Loan, its nature as a Floating Rate Loan or a Eurodollar Loan and (b) with respect to any Syndicated Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"UNFUNDED LIABILITIES" means the amount (if any) by which the present actuarial value of all vested nonforfeitable benefits under all Single Employer Plans (based on the actuarial assumptions for each such plan) exceeds the Fair Value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans.

"UNITED STATES" and "U.S." mean the United States of America.

"UNMATURED DEFAULT" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"WHOLLY-OWNED SUBSIDIARY" of a Person means (a) any Subsidiary all of the outstanding voting securities of which (other than directors qualifying shares and shares required by applicable corporate law to be owned by foreign nationals) shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (b) any partnership, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which (other than directors qualifying shares and shares required by applicable corporate law to be owned by foreign nationals) shall at the time be so owned or controlled.

ARTICLE II THE CREDITS

2.1 THE SYNDICATED LOANS. From and including the date of this Agreement and prior to the Facility Termination Date, each Lender severally agrees, on the terms and conditions set forth in this Agreement (including, without limitation, the terms and conditions of SECTION 2.11 and SECTION 8.1 relating to the reduction, suspension or termination of the Aggregate Commitment), to make Syndicated Loans to the Borrower from time to time in an aggregate amount not to exceed at any one time outstanding the amount of such Lender's Commitment; PROVIDED, HOWEVER, that the Aggregate Commitment shall be deemed used from time to time to the extent of (a) the aggregate amount of the Bid Rate Loans then outstanding, and such deemed use of the Aggregate Commitment shall be applied to the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "BID RATE REDUCTION"), (b) the aggregate L/C Obligations then outstanding, and such deemed use of the Aggregate Commitment shall be applied to the Lenders ratably according to their respective Commitments and (c) the aggregate amount of the Swing Line Loans then outstanding, and such deemed use of the Aggregate Commitment shall be applied to the Lenders ratably according to their respective Commitments. Subject to the terms of this Agreement (including, without limitation, the terms and conditions of SECTION 2.11 and SECTION 8.1 relating to the reduction, suspension or termination of the Aggregate Commitment), the Borrower may borrow, repay and reborrow Syndicated Loans at any time prior to the Facility Termination Date. Unless earlier terminated in accordance with the terms and conditions of this Agreement, the Commitments of the Lenders to lend hereunder shall expire on the Facility

Termination Date. Notwithstanding anything herein to the contrary, each of the Lenders shall be required to fund its ratable share of any Advance made in connection with any L/C Drafts notwithstanding that such Advance may be made on or after the date of any reduction, suspension or termination of the Aggregate Commitment pursuant to SECTION 2.11(c) or SECTION 8.1 of this Agreement.

2.2 REPAYMENT OF THE SYNDICATED LOANS. Any outstanding Syndicated Loans shall be paid in full by the Borrower on the Facility Termination Date; PROVIDED, HOWEVER, that (a) all Syndicated Loans made in connection with any of the Letters of Credit shall be paid in full by the Borrower on the later of the Facility Termination Date and the Business Day immediately following the date the relevant Syndicated Loan is made, and (b) nothing in this SECTION 2.2 shall be construed as limiting or modifying the obligation of the Borrower to repay any or all of the outstanding Syndicated Loans at any earlier time in accordance with the terms of this Agreement.

2.3 RATABLE LOANS; TYPES OF SYNDICATED ADVANCES. Each Syndicated Advance hereunder shall consist of Syndicated Loans made from the several Lenders ratably in proportion to their respective Pro Rata Shares of the Aggregate Commitment. Any Syndicated Advance may be a Floating Rate Advance or a Eurodollar Advance, as the Borrower shall select in accordance with SECTIONS 2.6 and 2.7.

2.4 MINIMUM AMOUNT OF EACH SYNDICATED ADVANCE. Each Eurodollar Advance shall be in the minimum amount of \$15,000,000 (and an integral multiple of \$5,000,000 if in excess thereof) and each Floating Rate Advance shall be in the minimum amount of \$10,000,000 (and an integral multiple of \$1,000,000 if in excess thereof); PROVIDED, HOWEVER, that any Syndicated Advance may be in the amount of the unused Aggregate Commitment.

2.5 OPTIONAL PREPAYMENTS OF SYNDICATED LOANS. Subject to SECTION 3.4 and the requirements of SECTION 2.4, the Borrower may (a) following notice given to the Administrative Agent by the Borrower, in the form attached hereto as EXHIBIT G (a "PREPAYMENT NOTICE") by not later than 1:00 p.m. (Chicago time) on the date of the proposed prepayment, such notice specifying the aggregate principal amount of and the proposed date of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Floating Rate Loans comprising part of the same Syndicated Advance in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid and (b) following a Prepayment Notice given to the Administrative Agent by the Borrower by not later than 1:00 p.m. (Chicago time) on, if the Advance to be prepaid is a Eurodollar Advance, the third Business Day preceding the date of the proposed prepayment, such notice specifying the Advance to be prepaid and the proposed date of the prepayment, and, if such notice is given, such Borrower shall, prepay the outstanding principal amounts of the Eurodollar Loans comprising a Eurodollar Advance in whole (and not in part), together with accrued interest to the date of such prepayment on the principal amount prepaid. In the case of a Floating Rate Advance, each partial prepayment shall be in an aggregate principal amount not less than \$10,000,000 (and an integral multiple of \$1,000,000 if in excess thereof).

2.6 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR NEW SYNDICATED ADVANCES. The Borrower shall select the Type of each Syndicated Advance and, in the case of a

Eurodollar Advance, the Interest Period applicable to such Syndicated Advance from time to time. The Borrower shall give the Administrative Agent irrevocable notice, in the form attached hereto as EXHIBIT F-1 (a "SYNDICATED ADVANCE BORROWING NOTICE"), not later than 11:00 a.m. (Chicago time) (i) on the Borrowing Date for each Floating Rate Advance and (ii) at least three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

- (a) the Borrowing Date, which shall be a Business Day, of such Advance,
- (b) the aggregate amount of such Advance,
- (c) the Type of such Advance, and
- (d) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than the Specified Remittance Time on each Borrowing Date, each Lender shall make available its Syndicated Loan or Syndicated Loans to the Administrative Agent in immediately available funds at the relevant Payment Office. To the extent that the Administrative Agent has received funds from the Lenders as specified in the preceding sentence and the applicable conditions set forth in ARTICLE IV have been fulfilled, the Administrative Agent will make such funds available to the Borrower at the relevant Payment Office promptly following the Specified Remittance Time, it being understood that if the relevant Payment Office is located in Chicago, Illinois, the Administrative Agent will make the applicable funds available to the Borrower by depositing such funds to such account with Bank One as the Borrower shall designate.

2.7 CONVERSION AND CONTINUATION OF OUTSTANDING SYNDICATED ADVANCES.

Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances or prepaid pursuant to SECTION 2.5. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice requesting that, at the end of such Interest Period, such Eurodollar Advance either continue as a Eurodollar Advance for the same or another Interest Period or be converted into a Syndicated Advance of another Type. Subject to the terms of SECTION 2.6, the Borrower may elect from time to time to convert all or any part of a Syndicated Advance of any Type into any other Type or Types of Syndicated Advances; PROVIDED that any conversion of any Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. The Borrower shall give the Administrative Agent irrevocable notice in the form of EXHIBIT H hereto (a "CONVERSION/CONTINUATION NOTICE") of each conversion of an Advance or continuation of a Eurodollar Advance not later than 11:00 a.m. (Chicago time) (i) in the case of a conversion into a Floating Rate Advance on the date of such conversion and (ii) in the case of a conversion into or continuation of a Eurodollar Advance, at least three Business Days before the date of such conversion or continuation, specifying:

- (a) the requested date, which shall be a Business Day, of such conversion or continuation;

(b) the aggregate amount and Type of the Syndicated Advance which is to be converted or continued; and

(c) the amount and Type(s) of Syndicated Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a Eurodollar Advance, the duration of the Interest Period applicable thereto.

2.8 PAYMENT OF INTEREST ON SYNDICATED ADVANCES; CHANGES IN INTEREST RATE. (a) Interest accrued on each Floating Rate Advance shall be payable in arrears on the last Business Day of each fiscal quarter, on the Facility Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11 (solely with respect to such reduced amount) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Interest accrued on each Eurodollar Advance shall be payable in arrears on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest on Floating Rate Advances shall be calculated for actual days elapsed on the basis of a 365/366 - -day year. Interest on Eurodollar Advances shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day a Syndicated Advance is made but not for the day of any payment on the amount paid if payment is received prior to 1:00 p.m. (local time) at the place of payment. If any payment of principal or interest on a Syndicated Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

(b) Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is converted from a Eurodollar Advance into a Floating Rate Advance pursuant to SECTION 2.7 to but excluding the date it becomes due or is converted into a Eurodollar Advance pursuant to SECTION 2.7, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on each Syndicated Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the Eurodollar Rate determined as applicable to such Eurodollar Advance. No Interest Period may end after the Facility Termination Date.

2.9 SWING LINE LOANS. (a) AMOUNT OF SWING LINE LOANS. Upon the satisfaction of the conditions precedent set forth in SECTIONS 4.1 and 4.2, from and including the date of this Agreement and prior to the Facility Termination Date, the Swing Line Lender agrees, on the terms and conditions set forth in this Agreement, to make Swing Line Loans to the Borrower from time to time in an amount not to exceed the least of (i) the Swing Line Commitment, (ii) the amount by which the Aggregate Commitment exceeds the sum of the outstanding principal amount of Syndicated Advances, Bid Rate Advances and L/C Obligations, or (iii) the available amount of the Commitment of the Swing Line Lender in its individual capacity as a Lender hereunder. In furtherance of the foregoing, the aggregate outstanding principal amount of the Swing Line Loans and Syndicated Loans made by the Swing Line Lender shall at no time exceed

the Commitment of the Swing Line Lender and, if at any time any such excess shall exist, the Borrower shall make a mandatory payment sufficient to eliminate such excess, which payment shall be applied to reduce the outstanding amount of the Swing Line Loans. Each Swing Line Loan shall be in a minimum amount of \$1,000,000 and increments of \$1,000,000 in excess thereof and all interest payable on the Swing Line Loans shall be payable to the Swing Line Lender for the account of such Swing Line Lender. In no event shall the number of Swing Line Loans outstanding at any time be greater than five. The Swing Line Lender agrees, upon the Borrower's request therefor, promptly to provide information regarding the applicable interest rate at which the Swing Line Lender will make Swing Line Loans to the Borrower on the Business Day of such request or the immediately following Business Day if such request is received after 1:00 p.m. (Chicago time) (the "MONEY MARKET RATE"), which Money Market Rate, in any event, shall not exceed the Floating Rate then applicable to Floating Rate Advances.

(b) BORROWING NOTICE. The Borrower shall deliver to the Administrative Agent and the Swing Line Lender an irrevocable notice, in the form attached hereto as EXHIBIT F-2 (a "SWING LINE BORROWING NOTICE"), signed by it not later than 11:00 a.m. (Chicago time) on the Borrowing Date of each Swing Line Loan specifying (i) the applicable Borrowing Date (which shall be a Business Day) and (ii) the aggregate amount of the requested Swing Line Loan. The Swing Line Loans shall at all times be Money Market Rate Loans.

(c) MAKING OF SWING LINE LOANS. Promptly after receipt of the Swing Line Borrowing Notice under SECTION 2.9(b), the Administrative Agent shall notify each Lender of the requested Swing Line Loan. Promptly on the applicable Borrowing Date, the Swing Line Lender shall make available its Swing Line Loan in funds immediately available in Chicago, Illinois to the Administrative Agent at the address specified by the Administrative Agent. The Administrative Agent will promptly make such funds available to the Borrower.

(d) REPAYMENT OF SWING LINE LOANS. Each Swing Line Loan shall be paid in full by the Borrower on or before the seventh Business Day after the Borrowing Date for such Swing Line Loan. Outstanding Swing Line Loans may be repaid from the proceeds of Syndicated Advances, Bid Rate Advances or Swing Line Loans. Any repayment of a Swing Line Loan shall be accompanied by accrued interest thereon and shall be in the minimum amount of \$500,000 and in increments of \$100,000 in excess thereof or the full amount of such Swing Line Loan. If the Borrower at any time fails to repay a Swing Line Loan on the applicable date when due, the Borrower shall be deemed to have elected to borrow a Floating Rate Advance under SECTION 2.1 as of such date equal in amount to the unpaid amount of the Swing Line Loan and interest thereon (notwithstanding the minimum amount of Syndicated Advances as provided in SECTION 2.4). The proceeds of any such Advance shall be used to repay the Swing Line Loan and interest thereon. Unless the Required Lenders shall have notified the Swing Line Lender prior to its making any Swing Line Loan, that the applicable conditions precedent set forth in ARTICLE IV have not then been satisfied, each Lender's obligation to make Loans pursuant to SECTION 2.1 and this SECTION 2.9(d) to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including the occurrence or continuance of a Default. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.9(d), the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such

payment from such Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any reason any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.9(d), such Lender shall be deemed, at the option of the Administrative Agent, to have unconditionally and irrevocably purchased from the Swing Line Lender, without recourse or warranty, an undivided interest in and participation in the applicable Swing Line Loan in the amount of the Loan such Lender was required to make pursuant to this SECTION 2.9(d) and such interest and participation may be recovered from such Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand by the Administrative Agent and ending on the date such obligation is fully satisfied.

2.10 THE BID RATE ADVANCES. (a) Each Lender severally agrees that, on the terms and conditions set forth in this Agreement, the Borrower may request and receive Bid Rate Advances under this SECTION 2.10 from time to time on any Business Day in the manner set forth below during the period from the date hereof until the date occurring 30 days prior to the Facility Termination Date in the manner set forth below; PROVIDED, HOWEVER, that, following the making of each Bid Rate Advance, the aggregate amount of the Advances then outstanding plus the aggregate amount of the Swing Line Loans then outstanding plus the aggregate amount of the L/C Obligations then outstanding shall not exceed the Aggregate Commitment of the Lenders (computed without regard to any Bid Rate Reduction) and the aggregate amount of Bid Rate Advances then outstanding shall not exceed fifty percent (50%) of the Aggregate Commitment of the Lenders (computed without regard to any Bid Rate Reduction). Notwithstanding the application of the Bid Rate Reduction for certain designated purposes hereunder, the Bid Rate Loans made by any Lender shall not reduce such Lender's individual Commitment hereunder and each Lender shall continue to be required to fund its full Pro Rata Share of all Syndicated Advances.

(b) The procedures for the solicitation and acceptance of Bid Rate Loans are set forth below:

(i) The Borrower may request a Bid Rate Advance under this SECTION 2.10(b) by giving the Administrative Agent irrevocable notice, in the form attached hereto as EXHIBIT F-3 (a "BID RATE ADVANCE BORROWING NOTICE"), specifying the date and aggregate amount of the proposed Bid Rate Advance, the applicable Bid Rate Interest Period (which shall be the maturity date for repayment of each Bid Rate Loan to be made as part of such Bid Rate Advance and which shall not be later than the Facility Termination Date), and any other terms to be applicable to such Bid Rate Advance, not later than 11:00 a.m. (Chicago time) (A) one Business Day prior to the date of the proposed Bid Rate Advance, if the Borrower shall specify in the Bid Rate Advance Borrowing Notice that the rates of interest to be offered by the Lenders shall be absolute rates per annum (such type of solicitation being an "ABSOLUTE RATE AUCTION"), and (B) five Business Days prior to the date of the proposed Bid Rate Advance, if the Borrower shall specify in the Bid Rate Advance Borrowing Notice that the rates of interest to be offered by the Lenders shall be rates per annum at a margin greater than or less than the Eurodollar Base Rate (such type of solicitation being an "INDEXED RATE AUCTION"). The Administrative Agent shall, promptly following its receipt of a Bid Rate Advance Borrowing Notice under this SECTION 2.10(b), notify each Lender of such request by sending such Lender a

copy of such Bid Rate Advance Borrowing Notice.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Bid Rate Loans to the Borrower as part of such proposed Bid Rate Advance at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 10:00 a.m. (Chicago time) (or if such Lender is the Administrative Agent, before 9:45 a.m. (Chicago time)) (A) on the date of such proposed Bid Rate Advance, in the case of an Absolute Rate Auction, and (B) four Business Days before the date of such proposed Bid Rate Advance, in the case of an Indexed Rate Auction of the minimum amount and maximum amount of each Bid Rate Loan which such Lender would be willing to make as part of such proposed Bid Rate Advance (which amounts may, subject to the proviso to the first sentence of SECTION 2.10(a), exceed such Lender's Commitment), the rate or rates of interest therefor and such Lender's Lending Installation with respect to such Bid Rate Loan.

(iii) The Borrower shall, in turn, before (A) 11:00 a.m. (Chicago time) on the date of such proposed Bid Rate Advance, in the case of an Absolute Rate Auction, and (B) 10:00 a.m. (Chicago time) three Business Days before the date of such proposed Bid Rate Advance, in the case of an Indexed Rate Auction for a Bid Rate Advance, either:

(x) cancel such Bid Rate Advance by giving the Administrative Agent notice to that effect, or

(y) accept, subject to SECTION 2.10(d), one or more of the offers made by any Lender or Lenders pursuant to SECTION 2.10(b)(ii) above, in its sole discretion, by giving notice to the Administrative Agent of the amount of each Bid Rate Loan (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such Bid Rate Loan pursuant to SECTION 2.10(b)(ii)) to be made by each Lender as part of such Bid Rate Advance, and reject any remaining offers made by Lenders pursuant to SECTION 2.10(b)(ii) by giving the Administrative Agent notice to that effect.

(iv) If the Borrower notifies the Administrative Agent that such Bid Rate Advance is canceled pursuant to SECTION 2.10(b)(iii)(x) above, the Administrative Agent shall give prompt notice thereof to the Lenders and such Bid Rate Advance shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to SECTION 2.10(b)(iii)(y) above, the Administrative Agent shall in turn promptly notify (A) each Lender that has made an offer as described in SECTION 2.10(b)(ii) of the date, of the aggregate amount of such Bid Rate Advance and whether or not any offer or offers made by such Lender pursuant to SECTION 2.10(b)(ii) have been accepted by the Borrower and (B) each Lender that is to make a Bid Rate Loan as part of such Bid Rate Advance, of the amount of each Bid Rate Loan to be made by such Lender as part of such Bid Rate Advance. Each Lender that is to make a Bid Rate Loan as part

of such Bid Rate Advance shall, not later than the Specified Remittance Time on the date of such Bid Rate Advance specified in the notice received from the Administrative Agent pursuant to CLAUSE (a) of the preceding sentence, make available for the account of its Lending Installation to the Administrative Agent at the relevant Payment Office such Lender's portion of such Bid Rate Advance, in same day funds. Upon fulfillment of the applicable conditions set forth in ARTICLE IV and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's address specified pursuant to ARTICLE XIII. Promptly after each Bid Rate Advance the Administrative Agent will notify each Lender of the amount of the Bid Rate Advance, the consequent Bid Rate Reduction and the dates upon which such Bid Rate Reduction commenced and will terminate.

(vi) Notwithstanding the other provisions of this SECTION 2.10(b), the Borrower may elect at its own discretion to assume the responsibilities of the Administrative Agent in connection with the solicitation and acceptance of Bid Rate Loans as described in this section. In the event that the Borrower makes the election described in this subsection, all notices to be given by the Borrower to the Administrative Agent pursuant to this SECTION 2.10(b) shall be given by the Borrower directly to the Administrative Agent and the Lenders, all notices to be given by the Administrative Agent to the Lenders pursuant to this SECTION 2.10(b) shall be given by the Borrower to the Lenders, and all notices to be given by the Lenders to the Administrative Agent pursuant to this SECTION 2.10(b) shall be given by the Lenders to the Borrower and the Administrative Agent.

(c) Each Bid Rate Advance shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, and, following the making of each Bid Rate Advance, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of SECTION 2.10(a).

(d) Each acceptance by the Borrower pursuant to SECTION 2.10(b)(iii)(y) of the offers made in response to a Bid Rate Advance Borrowing Notice shall be treated as an acceptance of such offers in ascending order of the rates or margins, as applicable, at which the same were made but if, as a result thereof, two or more offers at the same such rate or margin would be partially accepted, then the amounts of the Bid Rate Loans in respect of which such offers are accepted shall be treated as being the amounts which bear the same proportion to one another as the respective amounts of the Bid Rate Loans so offered bear to one another but, in each case, rounded as the Administrative Agent (or the Borrower in the event the Borrower runs the bid rate process under CLAUSE (b)(vi) above) may consider necessary to ensure that the amount of each such Bid Rate Loan is \$5,000,000 or an integral multiple thereof.

(e) Within the limits and on the conditions set forth in this SECTION 2.10, the Borrower may from time to time borrow under this SECTION 2.10, repay pursuant to SECTION 2.10(f) below, and reborrow under this SECTION 2.10.

(f) The Borrower shall repay to the Administrative Agent for the account of each Lender which has made a Bid Rate Loan to it, on the maturity date of such Bid Rate Loan (such maturity date being the last day of the Bid Rate Interest Period specified by the Borrower for repayment of such Bid Rate Loan in the related Bid Rate Advance Borrowing Notice), or, if

earlier, the acceleration of the Obligations pursuant to SECTION 8.1, the then unpaid principal amount of such Bid Rate Loan. The Borrower shall have no right to prepay any principal amount of any Bid Rate Loan unless, and then only on the terms, specified by the Borrower for such Bid Rate Loan in the related Bid Rate Advance Borrowing Notice and subject to SECTION 3.4.

(g) The Borrower shall pay interest on the unpaid principal amount of each Bid Rate Loan made to it, from the date of such Bid Rate Loan to the date the principal amount of such Bid Rate Loan is repaid in full, at the rate of interest for such Bid Rate Loan specified by the Lender making such Bid Rate Loan in the related notice submitted by such Lender pursuant to SECTION 2.10(b)(ii), payable on the interest payment date or dates specified by the Borrower for such Bid Rate Loan in the related Bid Rate Advance Borrowing Notice and on any date on which such Bid Rate Loan is prepaid, whether by acceleration or otherwise, and at maturity. In the event the term of any Bid Rate Loan shall be longer than three months, interest thereon shall be payable not less frequently than once each three-month period during such term. Interest on Bid Rate Advances shall be calculated for actual days elapsed on the basis of a 360-day year.

2.11 FACILITY FEE; UTILIZATION FEE; ADJUSTMENTS IN AGGREGATE COMMITMENT.

(a) FACILITY FEE. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee at a rate per annum equal to the Applicable Facility Fee Rate in effect from time to time on such Lender's Commitment (determined without giving effect to any Bid Rate Reduction or any other usage of the Commitments), whether used or unused, from the date hereof until the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Such facility fees shall be payable in arrears on the last Business Day of each March, June, September and December, on the Facility Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11(c) (solely with respect to such reduced amount) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Facility fees shall be calculated for actual days elapsed on the basis of a 360-day year.

(b) UTILIZATION FEE. For each day from and after the date hereof on which the Combined Utilized Amount exceeds fifty percent (50%) of the Combined Commitment, the Borrower agrees to pay to the Administrative Agent, for the ratable account of each Lender, a utilization fee at a rate per annum equal to the Applicable Utilization Fee Rate in effect from time to time on the sum of all Loans (including all Syndicated Loans, Bid Rate Loans and Swing Line Loans) and L/C Obligations, payable from the date hereof until the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Such utilization fees shall be payable in arrears on the last Business Day of each March, June, September and December, on the Facility Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11(c) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Utilization fees shall be calculated for actual days elapsed on the basis of a 360-day year.

(c) REDUCTIONS IN AGGREGATE COMMITMENT. The Borrower may permanently reduce the Aggregate Commitment in whole or in part ratably among the Lenders in a minimum amount of \$15,000,000 and integral multiples of \$2,500,000 in excess thereof, upon at least two Business Days' written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; PROVIDED, HOWEVER, that the amount of the Aggregate Commitment may not be reduced below the sum of the aggregate principal amount of the outstanding Advances and the aggregate outstanding L/C Obligations and Swing Line Loans.

(d) INCREASE OF AGGREGATE COMMITMENT. At any time the Borrower may, on the terms set forth below, request that the Aggregate Commitment hereunder be increased; provided, that (i) the Aggregate Commitment hereunder at no time shall exceed \$400,000,000, (ii) the Combined Commitment at no time shall exceed \$750,000,000, (iii) each such request shall be in a minimum amount of at least \$10,000,000 and in increments of \$5,000,000 in excess thereof, (iv) an increase in the Aggregate Commitment hereunder may only be made at a time when no Default or Unmatured Default shall have occurred and be continuing, (v) each Lender shall be offered a pro rata share of any requested increase prior to the Borrower, the Administrative Agent and the Syndication Agents inviting any additional financial institutions to become a Lender hereunder, and (vi) no Lender's Commitment shall be increased under this SECTION 2.11(d) without its consent. In the event of such a requested increase in the Aggregate Commitment, any financial institution which the Borrower, the Administrative Agent and the Syndication Agents invite to become a Lender or to increase its Commitment may set the amount of its Commitment at a level agreed to by the Borrower, the Administrative Agent and the Syndication Agents. In the event that the Borrower and one or more of the Lenders (or other financial institutions) shall agree upon such an increase in the Aggregate Commitment (i) the Borrower, the Administrative Agent and each Lender or other financial institution increasing its Commitment or extending a new Commitment shall enter into an amendment to this Agreement setting forth the amounts of the Commitments, as so increased, providing that the financial institutions extending new Commitments shall be Lenders for all purposes under this Agreement, and setting forth such additional provisions as the Administrative Agent shall consider reasonably appropriate and (ii) the Borrower shall furnish, if requested, a new Note to each financial institution that is extending a new Commitment or increasing its Commitment. No such amendment shall require the approval or consent of any Lender whose Commitment is not being increased. Upon the execution and delivery of such amendment as provided above, and upon satisfaction of such other conditions as the Administrative Agent may reasonably specify upon the request of the financial institutions that are extending new Commitments (including, without limitation, the Administrative Agent administering the reallocation of any outstanding Loans ratably among the Lenders after giving effect to each such increase in the Aggregate Commitment, and the delivery of certificates, evidence of corporate authority and legal opinions on behalf of the Borrower), this Agreement shall be deemed to be amended accordingly.

2.12 RATES APPLICABLE AFTER DEFAULT. Notwithstanding anything to the contrary contained in SECTION 2.8, during the continuance of a Default or Unmatured Default no Syndicated Advance may be made as, converted into or continued past the end of the applicable Interest Period as a Eurodollar Advance. During the continuance of a Default upon notice given to the Borrower, (a) each Advance shall bear interest until paid in full at a rate per annum equal to the then-applicable rate of interest, as the case may be, plus two percent (2.0%) per annum and

(b) the letter of credit fees payable under SECTION 2.20.5 shall be increased by two percent (2.0%) per annum.

2.13 METHOD OF PAYMENT. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to ARTICLE XIII, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by 1:00 p.m. (local time) on the date when due and shall be remitted by the Administrative Agent to the Lenders according to their respective interests therein. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at its address specified pursuant to ARTICLE XIII or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. The Administrative Agent is hereby authorized, but is not obligated, to charge the accounts of the Borrower maintained with Bank One into which proceeds of Advances are remitted pursuant to SECTION 2.6 for each payment of interest and fees as it becomes due hereunder, for each payment of principal, in accordance with the applicable Prepayment Notice or when otherwise due and payable in accordance with the terms hereof, and for each payment of Reimbursement Obligations when due and payable in accordance with the terms hereof.

2.14 EVIDENCE OF DEBT (OPTIONAL NOTES); TELEPHONIC NOTICES.

(a) EVIDENCE OF DEBT (OPTIONAL NOTES).

(i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, and, to the extent applicable, the Type thereof and the interest period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (c) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries in the accounts maintained pursuant to CLAUSES (i) and (ii) above shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; PROVIDED, HOWEVER, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by one or more Notes. In such event, the Borrower shall execute and deliver to such Lender the applicable Note or Notes payable to the order of such Lender. Thereafter, the Loans evidenced by any such Note and interest thereon shall at all times (including after any assignment pursuant to SECTION 12.3) be represented by one or more Notes payable to the

order of the payee named therein or any assignee pursuant to SECTION 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in CLAUSES (I) and (II) above.

(b) TELEPHONIC NOTICES. The Borrower hereby authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances and effect selections of Types of Syndicated Advances based on telephonic notices made by any person or persons the Administrative Agent in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent of the relevant telephonic notice shall govern absent manifest error.

2.15 NOTIFICATION OF ADVANCES, INTEREST RATES, PREPAYMENTS AND COMMITMENT REDUCTIONS. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice and Prepayment Notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.16 LENDING INSTALLATIONS. Each Lender may book its Loans at any one or more Lending Installations selected by such Lender and may change any such Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and any Notes requested by such Lender shall be deemed held by such Lender for the benefit of such Lending Installation. Each Lender may, by written or telex notice to the Administrative Agent and the Borrower, designate a Lending Installation through which Loans will be made by it and for whose account Loan payments are to be made.

2.17 NON-RECEIPT OF FUNDS BY THE ADMINISTRATIVE AGENT. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (a) in the case of a Lender, the proceeds of a Loan or (b) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (a) in the case of repayment by a Lender, the Federal Funds Effective Rate for such day or (b) in the case of repayment by the Borrower, the interest rate applicable to the relevant Loan.

2.18 WITHHOLDING TAX EXEMPTION. At least five Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Lender, each Lender that is not incorporated under the laws of the United States of America, or a state thereof, agrees that it will deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, or successor applicable form, certifying in either case that such Lender is entitled to receive payments under this Agreement and the Notes (if requested) without deduction or withholding of any United States federal income taxes. Each Lender which so delivers a Form W-8BEN or W-8ECI, or successor applicable form, further undertakes to deliver to each of the Borrower and the Administrative Agent two additional copies of such form (or any successor form or related form as may from time to time be required under applicable law) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent, in each case certifying that such Lender is entitled to receive payments under this Agreement and the Notes (if requested) without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

2.19 TERMINATION. All unpaid Obligations shall be paid in full by the Borrower on the Facility Termination Date; PROVIDED, HOWEVER, that (a) all Syndicated Loans made in connection with any of the Letters of Credit shall be paid in full by the Borrower on the later of the Facility Termination Date and the Business Day immediately following the date the relevant Syndicated Loan is made, and (b) nothing in this SECTION 2.19 shall be construed as limiting or modifying the obligation of the Borrower to repay any or all of the outstanding Obligations at any earlier time in accordance with the terms of this Agreement.

2.20 LETTER OF CREDIT FACILITY.

2.20.1 OBLIGATION TO ISSUE. Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties and covenants of the Borrower herein set forth, each Issuing Lender hereby agrees to issue for the account of the Borrower through such Issuing Lender's branches as it and the Borrower may jointly agree, one or more Letters of Credit in accordance with this SECTION 2.20, from time to time during the period, commencing on the date hereof and ending on the third Business Day prior to the Facility Termination Date; PROVIDED, HOWEVER, no Issuing Lender shall have any obligation to issue any Letter of Credit if, after taking into account such issuance, the aggregate L/C Obligations outstanding under Letters of Credit issued by it would exceed the amount specified on SCHEDULE 2.20 next to its name. SCHEDULE 2.20 may be updated from time to time by the Administrative Agent in connection with the addition of any Issuing Lender.

2.20.2 TYPES AND AMOUNTS. No Issuing Lender shall have any obligation to and no Issuing Lender shall:

(i) issue any Letter of Credit if on the date of issuance, before or after giving effect to the Letter of Credit requested hereunder, (a) the amount of the Advances, the L/C Obligations and the Swing Line Loans outstanding at such time would exceed the Aggregate Commitment or (b) the aggregate outstanding amount of the L/C Obligations would exceed \$100,000,000; or

(ii) issue any Letter of Credit which has an expiration date later than the date which is the earlier of one (1) year after the date of issuance thereof or three (3) Business Days immediately preceding the Facility Termination Date.

2.20.3 CONDITIONS. In addition to being subject to the satisfaction of the conditions contained in SECTIONS 4.1 and 4.2, the obligation of an Issuing Lender to issue any Letter of Credit is subject to the satisfaction in full of the following conditions:

(i) the Borrower shall have delivered to the applicable Issuing Lender at such times and in such manner as such Issuing Lender may reasonably prescribe, a written request for issuance of such Letter of Credit, duly executed applications for such Letter of Credit, and such other documents, instructions and agreements as may be reasonably required pursuant to the terms thereof, and the proposed Letter of Credit shall be reasonably satisfactory to such Issuing Lender as to form and content; and

(ii) as of the date of issuance no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain the applicable Issuing Lender from issuing such Letter of Credit and no law, rule or regulation applicable to such Issuing Lender and no request or directive (whether or not having the force of law) from a Governmental Authority with jurisdiction over such Issuing Lender shall prohibit or request that such Issuing Lender refrain from the issuance of Letters of Credit generally or the issuance of that Letter of Credit.

If any provision in a letter of credit application delivered in connection with the foregoing is inconsistent with or more restrictive than a provision contained in this Agreement, the provisions contained in this Agreement shall control.

2.20.4 PROCEDURE FOR ISSUANCE OF LETTERS OF CREDIT.

(a) Subject to the terms and conditions of this SECTION 2.20 and provided that the applicable conditions set forth in SECTIONS 4.1 and 4.2 hereof have been satisfied, the applicable Issuing Lender shall, on the requested date, issue a Letter of Credit on behalf of the Borrower in accordance with such Issuing Lender's usual and customary business practices and, in this connection, such Issuing Lender may assume that the applicable conditions set forth in SECTION 4.2 hereof have been satisfied unless it shall have received notice to the contrary from the Administrative Agent or a Lender or has knowledge that the applicable conditions have not been met.

(b) The applicable Issuing Lender shall give the Administrative Agent written or telex notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Letter of Credit, PROVIDED, HOWEVER, that the failure to provide such notice shall not result in any liability on the part of such Issuing Lender.

(c) No Issuing Lender shall extend or amend any Letter of Credit unless the requirements of this SECTION 2.20 are met as though a new Letter of Credit was being requested and issued.

2.20.5 LETTER OF CREDIT PARTICIPATION. Unless a Lender shall have notified the Issuing Lender, prior to its issuance of a Letter of Credit, that any applicable condition precedent set forth in SECTIONS 4.1 and 4.2 had not then been satisfied immediately upon the issuance of each Letter of Credit hereunder, each Lender shall be deemed to have automatically, irrevocably and unconditionally purchased and received from the applicable Issuing Lender an undivided interest and participation in and to such Letter of Credit, the obligations of the Borrower in respect thereof, and the liability of such Issuing Lender thereunder (collectively, an "L/C INTEREST") in an amount equal to the amount available for drawing under such Letter of Credit multiplied by such Lender's Pro Rata Share. Each Issuing Lender will notify each Lender promptly upon presentation to it of an L/C Draft or upon any other draw under a Letter of Credit. On or before the Business Day on which an Issuing Lender makes payment of each such L/C Draft or, in the case of any other draw on a Letter of Credit, on demand by the Administrative Agent, each Lender shall make payment to the Administrative Agent, for the account of the applicable Issuing Lender, in immediately available funds in an amount equal to such Lender's Pro Rata Share of the amount of such payment or draw. The obligation of each Lender to reimburse the Issuing Lenders under this SECTION 2.20.5 shall be unconditional, continuing, irrevocable and absolute. In the event that any Lender fails to make payment to the Administrative Agent of any amount due under this SECTION 2.20.5, the Administrative Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Lender hereunder until the Administrative Agent receives such payment from such Lender or such obligation is otherwise fully satisfied; PROVIDED, HOWEVER, that nothing contained in this sentence shall relieve such Lender of its obligation to reimburse the applicable Issuing Lender for such amount in accordance with this SECTION 2.20.5.

2.20.6 REIMBURSEMENT OBLIGATION. The Borrower agrees unconditionally, irrevocably and absolutely to pay immediately to the Administrative Agent, for the account of the Lenders, the amount of each advance which may be drawn under or pursuant to a Letter of Credit or an L/C Draft related thereto (such obligation of the Borrower to reimburse the Administrative Agent for an advance made under a Letter of Credit or L/C Draft being hereinafter referred to as a "REIMBURSEMENT OBLIGATION" with respect to such Letter of Credit or L/C Draft). If the Borrower at any time fails to repay a Reimbursement Obligation pursuant to this SECTION 2.20.6, the Borrower shall be deemed to have elected to borrow Floating Rate Loans from the Lenders, as of the date of the advance giving rise to the Reimbursement Obligation, equal in amount to the amount of the unpaid Reimbursement Obligation. Such Floating Rate Loans shall be made as of the date of the payment giving rise to such Reimbursement Obligation, automatically, without notice and without any requirement to satisfy the conditions precedent otherwise applicable to an Advance of Floating Rate Loans. Such Floating Rate Loans shall constitute a Floating Rate Advance, the proceeds of which Advance shall be used to repay such Reimbursement Obligation. If, for any reason, the Borrower fails to repay a Reimbursement Obligation on the day such Reimbursement Obligation arises and, for any reason, the Lenders are unable to make or have no obligation to make Floating Rate Loans, then such Reimbursement Obligation shall bear interest from and after such day, until paid in full, at the interest rate applicable to a Floating Rate Advance.

2.20.7 LETTER OF CREDIT FEES. The Borrower agrees to pay (a) to the Administrative Agent for the ratable benefit of the Lenders, a letter of credit fee equal to (i) for standby Letters of Credit, the Eurodollar Applicable Margin in effect from time to time on the aggregate daily amount available for drawing under the outstanding standby Letters of Credit and (ii) for commercial Letters of Credit, fifty percent (50%) of the Eurodollar Applicable Margin in effect from time to time on the aggregate daily amount available for drawing under the outstanding commercial Letters of Credit, such fees described in CLAUSES (a)(i) and (ii) to be paid in arrears on the last Business Day of each calendar quarter and on the Facility Termination Date and (b) to the Administrative Agent for the benefit of the Issuing Lenders, a fronting fee in an amount agreed to between the Borrower and the applicable Issuing Lender on the aggregate daily amount available for drawing under their respective outstanding Letters of Credit, to be paid in arrears on the last Business Day of each calendar quarter and on the Facility Termination Date and all customary fees and other issuance, amendment, negotiation and presentment expenses and related charges in connection with the issuance, amendment, presentation of L/C Drafts, and the like customarily charged by the applicable Issuing Lender with respect to standby letters of credit and commercial letters of credit, including, without limitation, standard commissions with respect to commercial letters of credit, payable at the time of invoice of such amounts.

2.20.8 ISSUING LENDER REPORTING REQUIREMENTS. In addition to the notices required by SECTION 2.20.4, each Issuing Lender shall, no later than the tenth Business Day following the last day of each month, provide to the Administrative Agent, upon the Administrative Agent's request, schedules, in form and substance reasonably satisfactory to the Administrative Agent, showing the date of issue, account party, amount, expiration date and the reference number of each Letter of Credit issued by it outstanding at any time during such month and the aggregate amount payable by the Borrower during such month. In addition, upon the request of the Administrative Agent, each Issuing Lender shall furnish to the Administrative Agent copies of any Letter of Credit and any application for or reimbursement agreement with respect to a Letter of Credit to which such Issuing Lender is party and such other documentation as may reasonably be requested by the Administrative Agent. Upon the request of any Lender, the Administrative Agent will provide to such Lender information concerning such Letters of Credit.

2.20.9 INDEMNIFICATION; EXONERATION. (a) In addition to amounts payable as elsewhere provided in this SECTION 2.20, the Borrower hereby agrees to protect, indemnify, pay and save harmless the Administrative Agent, each Issuing Lender and each Lender from and against any and all liabilities and costs which the Administrative Agent, such Issuing Lender or such Lender may incur or be subject to as a consequence, direct or indirect, of (i) the issuance of any Letter of Credit other than, in the case of the applicable Issuing Lender, as a result of its Gross Negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, or (ii) the failure of the applicable Issuing Lender to honor a drawing under a Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future DE JURE or DE FACTO Governmental Authority (all such acts or omissions herein called "GOVERNMENTAL ACTS").

(b) As among the Borrower, the Lenders, the Administrative Agent and the Issuing Lenders, the Borrower assumes all risks of the acts and omissions of, or misuse of such Letter of Credit by, the beneficiary of any Letters of Credit. In furtherance and not in limitation

of the foregoing, subject to the provisions of the Letter of Credit applications and Letter of Credit reimbursement agreements executed by the Borrower at the time of request for any Letter of Credit, neither the Administrative Agent, any Issuing Lender nor any Lender shall be responsible (in the absence of Gross Negligence or willful misconduct in connection therewith, as determined by the final judgment of a court of competent jurisdiction): (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit that appears on its face to comply in all material respects with the requirements of the Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument that appears on its face to comply in all material respects with the requirements of the Letter of Credit transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, or other similar form of teletransmission or otherwise; (v) for errors in interpretation of technical trade terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; and (viii) for any consequences arising from causes beyond the control of the Administrative Agent, the Issuing Lenders and the Lenders, including, without limitation, any Governmental Acts. None of the above shall affect, impair, or prevent the vesting of any Issuing Lender's rights or powers under this SECTION 2.20.9.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by any Issuing Lender under or in connection with the Letters of Credit or any related certificates shall not, in the absence of Gross Negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, put the applicable Issuing Lender, the Administrative Agent or any Lender under any resulting liability to the Borrower or relieve the Borrower of any of its obligations hereunder to any such Person.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this SECTION 2.20 shall survive the payment in full of principal and interest hereunder, the termination of the Letters of Credit and the termination of this Agreement.

2.20.10 CASH COLLATERAL. Notwithstanding anything to the contrary herein or in any application for a Letter of Credit, after the occurrence and during the continuance of Default, the Borrower shall, upon the Administrative Agent's demand, deliver to the Administrative Agent for the benefit of the Lenders and the Issuing Lenders, cash, or other collateral of a type satisfactory to the Required Lenders, having a value, as determined by such Lenders, equal to the aggregate outstanding L/C Obligations. In addition, if the available Aggregate Commitment is at any time less than the amount of contingent L/C Obligations outstanding at any time, the Borrower shall deposit cash collateral with the Administrative Agent in an amount equal to the amount by which such L/C Obligations exceed such available Aggregate Commitment. Any

such collateral shall be held by the Administrative Agent in a separate interest-bearing account appropriately designated as a cash collateral account in relation to this Agreement and the Letters of Credit and retained by the Administrative Agent for the benefit of the Lenders and the Issuing Lenders as collateral security for the Borrower's obligations in respect of this Agreement and each of the Letters of Credit and L/C Drafts. Such amounts shall be applied to reimburse the Issuing Lenders for drawings or payments under or pursuant to Letters of Credit or L/C Drafts, or if no such reimbursement is required, to payment of such of the other Obligations as the Administrative Agent shall determine. If no Default shall be continuing, amounts remaining in any cash collateral account established pursuant to this SECTION 2.20.10 which are not to be applied to reimburse an Issuing Lender for amounts actually paid or to be paid by such Issuing Lender in respect of a Letter of Credit or L/C Draft, shall be returned to the Borrower (after deduction of the Administrative Agent's expenses incurred in connection with such cash collateral account).

2.21 PRICING. The Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate for any period shall be determined on the basis of the publicly announced ratings ("CREDIT RATINGS") by Moody's and S&P on the Borrower's Rated Debt during such period, in each case in accordance with the table set forth below, to change when and as such Credit Ratings change. For purposes of determining the Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate with respect to any period:

(i) Any change in the Credit Rating shall be deemed to become effective on the date of public announcement thereof and shall remain in effect until the date of public announcement that such Credit Rating shall no longer be in effect. If any change in Credit Rating occurs during an Interest Period, the new Eurodollar Applicable Margin, Applicable Facility Fee Rate and Applicable Utilization Fee Rate shall become effective from the date of the public announcement.

(ii) If, during any period, either Moody's or S&P shall not have a publicly-announced Credit Rating with respect to the Borrower's Rated Debt, the Credit Rating announced by the other rating agency with respect thereto shall be used.

(iii) Except as provided below, in the event that the Credit Ratings publicly announced by Moody's and S&P with respect to the Borrower's Rated Debt appear in more than one column of the table, the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate will be based on the column which includes the highest rating; PROVIDED, HOWEVER, that if there exists a differential of two or more levels between the Credit Rating publicly announced by Moody's and the Credit Rating publicly announced by S & P, then the Credit Rating which is one level below the higher announced Credit Rating will determine the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate.

(iv) If, during any period, neither Moody's nor S&P shall have publicly announced a Credit Rating with respect to the Borrower's Rated Debt, the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate shall be the margins set forth under the column entitled "No Other Pricing Level Applies."

EURODOLLAR APPLICABLE MARGINS
 APPLICABLE FACILITY FEE RATES
 AND APPLICABLE UTILIZATION FEE RATES
 (IN BASIS POINTS)

CREDIT RATINGS	AT LEAST A FROM S&P OR A2 FROM MOODY'S	AT LEAST A- FROM S&P OR A3 FROM MOODY'S	AT LEAST BBB+ FROM S&P OR Baa1 FROM MOODY'S	AT LEAST BBB FROM S&P OR Baa2 FROM MOODY'S	AT LEAST BBB- FROM S&P OR Baa3 FROM MOODY'S	NO OTHER PRICING LEVEL APPLIES
Eurodollar Applicable Margin	16.5	27.5	37.5	60.0	80.0	95.0
Applicable Facility Fee	8.5	10.0	12.5	15.0	20.0	30.0
Applicable Utilization Fee Rate	12.5	12.5	12.5	12.5	20.0	20.0

ARTICLE III
 CHANGE IN CIRCUMSTANCES

- 3.1 YIELD PROTECTION. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance by any Lender therewith,
- (a) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding federal taxation of the overall net income of any Lender, franchise taxes and branch profit taxes), or changes the basis of taxation of payments to any Lender or any applicable Lending Installation in respect of its Loans, L/C Interests or other amounts due it hereunder, or
 - (b) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or
 - (c) imposes any other condition, in each case, the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining Loans or issuing or participating in Letters of Credit or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with Loans or Letters of Credit, or requires any Lender or any applicable Lending Installation to make any

payment calculated by reference to the amount of Loans or Letters of Credit held, or interest received by it, by an amount deemed material by such Lender,

then, within 15 days of demand by such Lender, the Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender reasonably determines is attributable to making, funding and maintaining its Loans, its L/C Interests, the Letters of Credit and its Commitment.

3.2 CHANGES IN CAPITAL ADEQUACY REGULATIONS. If a Lender determines that the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change (as defined below in this SECTION 3.2), then, within 15 days of demand by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender reasonably determines is attributable to this Agreement, its Loans, its L/C Interests, the Letters of Credit or its obligation to make Loans or participate in Letters of Credit hereunder (after taking into account such Lender's or such controlling corporation's policies as to capital adequacy). "CHANGE" means (a) any change after the date of this Agreement in the Risk-Based Capital Guidelines (as defined below in this SECTION 3.2) or (b) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "RISK-BASED CAPITAL GUIDELINES" means (a) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement. Each Lender agrees promptly to notify the Borrower and the Administrative Agent of any circumstances that would cause the Borrower to pay additional amounts pursuant to this SECTION 3.2, PROVIDED that, except as set forth in SECTION 3.5(b), the failure to give such notice shall not affect the Borrower's obligation to pay such additional amounts hereunder.

3.3 AVAILABILITY OF TYPES OF SYNDICATED ADVANCES. If any Lender reasonably determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or if the Required Lenders reasonably determine that (a) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (b) the interest rate applicable to a Type of Syndicated Advance does not accurately reflect the cost of making or maintaining such Advance, then the Administrative Agent shall suspend the availability of the affected Type of Syndicated Advance.

3.4 FUNDING INDEMNIFICATION. If any payment of a Eurodollar Advance or a Bid Rate Advance occurs on a date which is not the last day of the applicable Interest Period in the case of a Eurodollar Advance, or the applicable Bid Rate Interest Period in the case of a Bid Rate Advance, whether because of acceleration, prepayment, conversion or otherwise, or a Eurodollar

Advance or a Bid Rate Advance is not made (whether by borrowing, continuation or conversion) on the date specified by the Borrower for any reason other than default by the Lenders, or an optional prepayment, notice of which has been given in accordance with SECTION 2.5 or as may be required by the terms of any Bid Rate Advance Borrowing Notice, is not made on the date specified therefor in such notice, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the Eurodollar Advance or Bid Rate Advance, as the case may be.

3.5 MITIGATION; LENDER STATEMENTS; SURVIVAL OF INDEMNITY. (a) To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under SECTIONS 3.1 and 3.2 or to avoid the unavailability of a Type of Syndicated Advance under SECTION 3.3, so long as such designation is not disadvantageous to such Lender in its reasonable determination. If the obligation of the Lenders to make Eurodollar Advances has been suspended pursuant to SECTION 3.3 as a consequence of a determination by any Lender that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law or any Lender has demanded compensation under SECTION 3.1 or 3.2, the Borrower may elect (i) subject to SECTION 3.4, to prepay any outstanding Syndicated Advances to the extent necessary to mitigate its liability under SECTION 3.1 or 3.2, or (ii) to require the applicable Lender to assign its outstanding Syndicated Loans, L/C Interests and Commitment hereunder to another financial institution designated by the Borrower and reasonably acceptable to the Administrative Agent. The obligation of a Lender to assign its rights and obligations hereunder as contemplated by this SECTION 3.5(a) is subject to the requirements that (x) all amounts owing to that Lender under the Loan Documents are paid in full upon the completion of such assignment and (y) any assignment is effected in accordance with the terms of SECTION 12.3 and on terms otherwise satisfactory to that Lender (it being understood that the Borrower or the replacement Lender shall pay the processing fee payable to the Administrative Agent pursuant to SECTION 12.3.2 in connection with any such assignment).

(b) In determining the amounts payable under SECTIONS 3.1, 3.2 or 3.4, each Lender shall use its reasonable efforts to make its allocations and computations, to the extent readily determinable, consistent with the allocations and computations applied generally by such Lender to other customers of similar size and credit quality and under similar circumstances. Each Lender shall deliver a written statement of such Lender as to the amount due, if any, under SECTION 3.1, 3.2 or 3.4. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan or Bid Rate Loan made pursuant to an Indexed Rate Auction shall be calculated as though each Lender funded such Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the interest rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement shall be payable not later than fifteen (15) days after receipt by the Borrower of the written statement. The Borrower shall not be liable for any amounts under SECTIONS 3.1, 3.2 or 3.4 accruing more than 120 days prior to the receipt of a demand for payment therefor. The obligations of the Borrower

under SECTIONS 3.1, 3.2 and 3.4 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 EFFECTIVENESS; INITIAL ADVANCE. This Agreement shall become effective and the Lenders shall be obligated to make the initial Advance or Swing Line Loan only after the Administrative Agent shall have received from the Borrower, with sufficient copies (other than in the case of any requested Notes) for each of the Lenders, each of the following items in form and substance satisfactory to the Administrative Agent:

(a) copies of the certificates of incorporation (or comparable constitutive document) of the Borrower and each of the Material Subsidiaries, together with all amendments thereto and a certificate of good standing, certified by the appropriate governmental officer of its jurisdiction of organization and by the Secretary, Assistant Secretary, or other appropriate officer of the Borrower or the Material Subsidiary, as applicable;

(b) copies, certified by the Secretary, Assistant Secretary or other appropriate officer of the Borrower and each of the Material Subsidiaries of its by-laws (or any comparable constitutive laws, rules or regulations) and of its board of directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for any Lender) authorizing the execution of the relevant Loan Documents;

(c) incumbency certificates, executed by the Secretary or Assistant Secretary or other appropriate officer of the Borrower and each of the Material Subsidiaries, which shall identify by name and title and bear the signature of the officers of the Borrower and each of the Material Subsidiaries authorized to sign the relevant Loan Documents and to make borrowings hereunder, as applicable, upon which certificate the Administrative Agent, the Issuing Lenders, the Swing Line Lender and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower;

(d) a certificate, signed by the Chief Financial Officer, stating that on the date hereof no Default or Unmatured Default has occurred and is continuing;

(e) evidence of the payment of all fees required to be paid by the Borrower pursuant to the Fee Letter;

(f) opinions of (i) Ropes & Gray, counsel to the Borrower and the Material Subsidiaries initially parties to the Facility Guaranty, (ii) Jay Meltzer, General Counsel to the Borrower and the Material Subsidiaries initially parties to the Facility Guaranty, (iii) Nevada counsel to certain of such Material Subsidiaries, and (iv) Minnesota counsel to certain of such Material Subsidiaries, substantially in the forms attached as EXHIBIT B hereto;

(g) evidence of delivery of the 364-Day Credit Agreement by each of the parties thereto;

(h) written money transfer instructions, in substantially the form of EXHIBIT E hereto, addressed to the Administrative Agent and signed by an Authorized Officer, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested;

(i) evidence of the termination of the Existing Credit Agreements and repayment of in full of all obligations, indebtedness and liabilities outstanding thereunder from the proceeds of the initial Loans hereunder and/or the initial "Loans" under and as defined in the 364-Day Credit Agreement;

(j) a fee letter between the Borrower and the Administrative Agent dated on or before the date hereof;

(k) a Facility Guaranty executed by each of the Material Subsidiaries; and

(l) such other documents as any Lender or its counsel may have reasonably requested (including, without limitation, any Notes requested pursuant to SECTION 2.14(a)(iv)).

4.2 EACH ADVANCE AND LETTER OF CREDIT. No Lender shall be required to make any Loan, nor shall the Administrative Agent be required to issue any Letter of Credit hereunder, unless on the applicable Borrowing Date or date for issuance of such Letter of Credit:

(a) there exists no Default or Unmatured Default;

(b) the representations and warranties contained in ARTICLE V are true and correct as of such Borrowing Date or date for issuance of such Letter of Credit (other than the representation and warranty set forth in SECTION 5.5, which shall only be made by the Borrower as of the date of this Agreement) except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date;

(c) after giving effect to such Loan and the other Loans being made as a part of such Advance or the issuance of such Letter of Credit, the aggregate outstanding principal amount of all Advances and outstanding L/C Obligations and Swing Line Loans does not exceed the Aggregate Commitment; and

(d) all legal matters incident to the making of such Advance or the issuance of such Letter of Credit shall be reasonably satisfactory to the Lenders and their counsel.

Each Borrowing Notice and each Conversion/Continuation Notice with respect to a Loan or application with respect to a Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in SECTIONS 4.2(a), (b) and (c) have been satisfied.

ARTICLE V REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent, the Swing Line Lender, the Issuing Lenders and the Lenders to enter into this Agreement and to make the Loans and the other

financial accommodations to the Borrower and to issue the Letters of Credit described herein, the Borrower represents and warrants to the Administrative Agent, the Swing Line Lender, the Issuing Lenders and each Lender as follows as of the date of this Agreement, the date of the initial extension of credit hereunder and thereafter on each date as required by SECTION 4.2 that:

5.1 EXISTENCE AND STANDING. Each of the Borrower and its Subsidiaries (other than Subsidiaries which in the aggregate own, directly or indirectly, less than ten percent (10%) of the total consolidated assets of the Borrower and its Subsidiaries) (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business as a foreign organization and is in good standing under the laws of each jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except those jurisdictions where the failure to be in good standing or to so qualify is not reasonably likely to have a Material Adverse Effect, and (iii) has all requisite corporate or other organizational power and authority to own, lease and operate its property and assets and to conduct its business as presently conducted and as proposed to be conducted.

5.2 AUTHORIZATION AND VALIDITY.

(a) Each of the Borrower and its Subsidiaries has the requisite corporate or other organizational power and authority to execute, deliver and perform each of the Loan Documents which have been or are to be executed by it.

(b) The execution, delivery and performance, as the case may be, of each of the Loan Documents executed by the Borrower or any of its Subsidiaries and to which the Borrower or any of its Subsidiaries is a party, and the consummation of the transactions contemplated thereby, have been duly approved by the respective boards of directors (or other applicable governing body) and, if necessary, the shareholders (or other applicable holder of equity) of the Borrower and its Subsidiaries, and such approvals have not been rescinded. No other corporate or other organizational action or proceedings on the part of the Borrower or its Subsidiaries are necessary to consummate such transactions.

(c) Each of the Loan Documents to which the Borrower or any of its Subsidiaries is a party has been duly executed or delivered, as the case may be, by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally), is in full force and effect and no material term or condition thereof has been amended, modified or waived without the prior written consent of the Required Lenders (or all of the Lenders if so required under SECTION 8.2), and the Borrower and its Subsidiaries have performed and complied with all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such parties and no unmatured default, default or breach of any covenant by any such party exists thereunder. As of the date of the initial extension of credit hereunder, to the best of the Borrower's and its Subsidiaries' knowledge, all parties (other than the Borrower and its Subsidiaries) have performed and complied with all the terms, provisions, agreements and conditions set forth in the Loan Documents and required to be performed or complied with by such parties and no unmatured default, default or breach of any covenant by any such party exists thereunder.

5.3 NO CONFLICT; GOVERNMENT CONSENT. Neither the execution and delivery by the Borrower or any of its Subsidiaries of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or the Borrower's or any Subsidiary's articles of incorporation or by-laws (or any comparable constitutive laws, rules or regulations) or the provisions of any material indenture, instrument or material agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any such material indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, any of the Loan Documents, except (i) such as have been made or obtained as set forth on SCHEDULE 5.3 or (ii) such as set forth on SCHEDULE 5.3 hereto which have not been obtained or made and which are immaterial.

5.4 FINANCIAL STATEMENTS. The January 27, 2001 audited consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Administrative Agent and the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present in all material respects the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5 MATERIAL ADVERSE CHANGE. As of the date of this Agreement and as of the initial extension of credit hereunder, since January 27, 2001 with respect to the Borrower and its Subsidiaries, there has been no material adverse change in the business, financial condition, operations, performance or Property of the Borrower and its Subsidiaries on a consolidated basis.

5.6 TAXES. The Borrower and its Subsidiaries have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith, as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no tax lien has been filed. The United States income tax returns of the Borrower and its Subsidiaries have been audited by the Internal Revenue Service, or the Internal Revenue Service has allowed the Statute of Limitations for audit to expire, for fiscal years ended January 31, 1998 and prior. No tax liens have been filed and, except as set forth on SCHEDULE 5.6 hereto, no written claims are being made and no other claims are, to the knowledge of the executive officers of the Borrower, asserted with respect to any such taxes except for liens and claims which, in the aggregate, are not reasonably expected to exceed \$25,000,000. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes or other governmental charges have been established in accordance with Agreement Accounting Principles and, to the knowledge of the executive officers of the Borrower, are adequate.

5.7 LITIGATION AND CONTINGENT OBLIGATIONS. Except as set forth on SCHEDULE 5.7 hereto, there is no litigation, arbitration, governmental investigation, proceeding or inquiry

pending or, to the knowledge of any of their executive officers, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Effect. Other than any liability incident to such litigation, arbitration or proceedings, the Borrower and its Subsidiaries have no material contingent obligations not provided for or disclosed in the financial statements referred to in SECTION 5.4.

5.8 SUBSIDIARIES. SCHEDULE 5.8 hereto contains an accurate list of all of the presently existing Subsidiaries of the Borrower, setting forth their respective jurisdictions of organization and the percentage of their respective equity held by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

5.9 ERISA. The Unfunded Liabilities of all Single Employer Plans do not in the aggregate exceed \$40,000,000. Neither the Borrower nor any other member of the Controlled Group has failed to make any required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or other payment with respect to a Single Employer Plan, or has failed to make a required contribution or payment to a Multiemployer Plan. Neither the Borrower nor any other member of the Controlled Group has any potential liability, whether direct or indirect, contingent or otherwise, under Section 4069, 4204 or 4212(c) of ERISA. Each Plan complies in all material respects with all applicable requirements of law and regulations and has been administered in all material respects in accordance with its terms. No Reportable Event has occurred with respect to any Plan, neither the Borrower nor any other member of the Controlled Group has withdrawn from any Plan or initiated steps to do so, no steps have been taken to reorganize or terminate any Plan, no event has occurred which imposes an obligation on the Borrower or any member of the Controlled Group under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; no event or condition has occurred which is reasonably likely to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, in any such case where such event could reasonably be expected to have a Material Adverse Effect.

5.10 ACCURACY OF INFORMATION. No written information, certificate, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Administrative Agent, the Swing Line Lender, any Issuing Lender or the Lenders (including the Loan Documents and any representation or warranty therein) contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

5.11 REGULATIONS T, U AND X. Margin stock (as defined in Regulation U) constitutes less than 25% of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder. Neither the Borrower nor any of its Subsidiaries is engaged in the business of purchasing or carrying margin stock.

5.12 MATERIAL AGREEMENTS. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement to which it is a party, which default could reasonably be expected

to have a Material Adverse Effect or (ii) any agreement or instrument evidencing or governing Material Indebtedness.

5.13 COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any Governmental Authority having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect. Except as set forth in SCHEDULE 5.13 hereto, neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any Environmental, Health or Safety Requirements of Law or the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any petroleum, toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.14 OWNERSHIP OF PROPERTY. Except as set forth on SCHEDULE 5.14 hereto, on the date of this Agreement, the Borrower and its Subsidiaries have good title, free of all Liens other than those permitted by SECTION 6.15, to all of the Property and assets reflected in the financial statements referred to in SECTION 5.4 as owned by it. The Borrower and each of its Subsidiaries owns (or is licensed to use) all Intellectual Property which is necessary or appropriate in any material respect for the conduct of its respective business as conducted on the date of this Agreement, without any material conflict with the rights of any other Person. Neither the Borrower nor any Subsidiary is aware of (i) any material existing or threatened infringement or misappropriation of any of its Intellectual Property by any third party or (ii) any material third party claim that any aspect of the business of the Borrower or any Subsidiary (as conducted on the date of this Agreement) infringes or will infringe upon, any Intellectual Property or other property right of any other Person, in each case that could reasonably be expected to have a Material Adverse Effect.

5.15 LABOR MATTERS. There are no labor controversies pending or, to the best of the Borrower's and its Subsidiaries' knowledge, threatened against the Borrower or any Subsidiary, which, if adversely determined, could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries are in substantial compliance in all material respects with the Fair Labor Standards Act, as amended.

5.16 INVESTMENT COMPANY ACT. Neither the Borrower nor any Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.17 PUBLIC UTILITY HOLDING COMPANY ACT. Neither the Borrower nor any Subsidiary is a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.18 INSURANCE. The insurance policies and programs in effect with respect to the Property, liabilities and business of the Borrower and its Subsidiaries are maintained with

financially sound and reputable insurance companies and reflect coverage that is consistent with sound business practice.

ARTICLE VI
COVENANTS

6. COVENANTS. During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1 FINANCIAL REPORTING. The Borrower will maintain, for itself and its Subsidiaries, a system of accounting established and administered in accordance with generally accepted accounting principles, and will furnish or cause to be furnished to the Administrative Agent with sufficient copies for each of the Lenders:

(a) As soon as practicable but in any event within 105 days after the close of each of its fiscal years, an audit report (which audit report shall be unqualified or shall be otherwise reasonably acceptable to the Required Lenders; PROVIDED that such report may set forth qualifications to the extent such qualifications pertain solely to changes in generally accepted accounting principles from the Agreement Accounting Principles applied during earlier accounting periods, the implementation of which changes (with the concurrence of such accountants) is reflected in the financial statements accompanying such report), certified by independent certified public accountants who are reasonably acceptable to the Required Lenders, prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period and the related statements of income, and consolidated stockholder's equity and cash flows, accompanied by a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Unmatured Default, or if, in the opinion of such accountants, any Default or Unmatured Default shall exist, stating the nature and status thereof.

(b) As soon as practicable but in any event within 60 days after the close of each of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries on a consolidated basis, balance sheets as of the end of such period and the related statements of income, and consolidated stockholder's equity and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its Chief Financial Officer, Controller or Treasurer as to fairness of presentation and prepared, with respect to such consolidated statements, in accordance with Agreement Accounting Principles (subject to normal year end adjustments).

(c) Together with the financial statements required hereunder, a compliance certificate in substantially the form of EXHIBIT C hereto signed by its Chief Financial Officer, Controller or Treasurer showing the calculations necessary to determine compliance with SECTIONS 6.16 and 6.17, and including a representation that the Borrower is in compliance with SECTION 6.20, in each case as of the last day of the fiscal period covered by such financial statements, and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof and the Borrower's plans with respect thereto; PROVIDED, that each such compliance certificate delivered with the financial

statements required under SECTION 6.1(a) shall also show the calculations necessary to determine compliance with SECTION 6.20 as of the last day of the fiscal period covered by such financial statements.

(d) As soon as possible and in any event within 10 days after an executive officer of the Borrower knows that any Reportable Event or any other event described in SECTION 5.9 has occurred with respect to any Plan, a statement, signed by the Chief Financial Officer or Treasurer of the Borrower, describing said Reportable Event or other event and the action which the Borrower proposes to take with respect thereto.

(e) As soon as possible and in any event within 10 days after receipt by the Borrower or any Subsidiary, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any petroleum, toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect or subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000 (in each case, determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage).

(f) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(g) Promptly upon the filing thereof, copies of all final registration statements, proxy statements and annual, quarterly, monthly or other reports which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission (PROVIDED the Borrower shall not be obligated to provide copies of routine reports which are required to be filed concerning the management of employee benefit plans, including, without limitation, stock purchases or the exercise of stock options made under any such employee benefit plan).

(h) Except to the extent that such items are redundant with reports or information otherwise provided pursuant to this SECTION 6.1, promptly upon the furnishing thereof to the holders thereof, copies of all financial statements and reports furnished to the holders of (or trustee or other representative for the holders of) any Indebtedness for money borrowed of the Borrower or its Subsidiaries.

(i) Such other information (including non-financial information) as any Lender through the Administrative Agent may from time to time reasonably request.

6.2 USE OF PROCEEDS. The Borrower will, and will cause each of its Subsidiaries to, use the proceeds of the Advances and the Swing Line Loans to repay outstanding loans and advances made under the Existing Credit Agreements, to repay Advances hereunder and "Advances" under (and as defined in) the 364-Day Credit Agreement, Reimbursement

Obligations and the Swing Line Loans or for general corporate or working capital purposes (including, without limitation, capital expenditures, purchases by the Borrower of its capital stock, Acquisitions permitted under SECTION 6.18 and support of commercial paper). The Borrower will not, nor will it permit any Subsidiary, to use proceeds of the Advances and the Swing Line Loans other than as contemplated in this SECTION 6.2.

6.3 OTHER NOTICES. Promptly after the Borrower or relevant subsidiary becomes aware of such occurrence, the Borrower will, and will cause each of its Subsidiaries to, give notice in writing to the Lenders of the occurrence of: (a) any Default or Unmatured Default; and (b) any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect; PROVIDED, no separate notice of the occurrence of any such development under this CLAUSE (b) needs to be given to the extent such item has been disclosed in the Borrower's annual, quarterly or other reports (i.e., 10-K, 10-Q or 8-K) filed with the Securities and Exchange Commission and delivered pursuant to SECTION 6.1(g) or in a press release issued by the Borrower or one of its Subsidiaries. Any such notice shall state the nature and status of the occurrence and any and all actions taken with respect thereto.

6.4 CONDUCT OF BUSINESS. The Borrower will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same or complementary fields of enterprise as it is presently conducted and to do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except for transactions permitted under SECTIONS 6.10, 6.11, 6.13, or 6.18 or where the failure to maintain such authority could not reasonably be expected to have a Material Adverse Effect.

6.5 TAXES. The Borrower will, and will cause each of its Subsidiaries to, pay when due all material taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles and in connection with which no tax Lien has been filed.

6.6 INSURANCE. The Borrower will, and will cause each of its Subsidiaries to, maintain with financially sound and reputable insurance companies insurance with respect to all their Property, liabilities and business in such amounts and covering such risks as is consistent with sound business practice, and the Borrower will furnish to the Administrative Agent upon request of any Lender full information as to the insurance carried.

6.7 COMPLIANCE WITH LAWS. The Borrower will, and will cause each of its Subsidiaries to, comply in all material respects with all laws (including, without limitation, all environmental laws), rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

6.8 MAINTENANCE OF PROPERTIES. The Borrower will, and will cause each of its Subsidiaries to, do all things necessary to maintain, preserve, protect and keep its material Property in good repair, working order and condition, ordinary wear and tear excepted, and make

all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve and protect all of its material Intellectual Property including, without limitation, perform each of its respective obligations under any and all license agreements and other contracts and agreements evidencing or relating to Intellectual Property, using the same in interstate or foreign commerce, properly marking such Intellectual Property and maintaining all necessary and appropriate governmental registrations (both domestic and foreign) except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.9 INSPECTION. The Borrower will, and will cause each of its Subsidiaries to, permit the Administrative Agent and any or each Lender, by its respective representatives and agents, to inspect any of the Property, corporate books and financial records of the Borrower and each of its Subsidiaries, to examine and make copies of the books of accounts and other financial records of the Borrower and each of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and each of its Subsidiaries with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Administrative Agent or such Lender may designate. Prior to the occurrence of a Default or Unmatured Default, the Lenders will use reasonable efforts to coordinate their inspection through the Administrative Agent so as to minimize any disruption to the business of the Borrower and its Subsidiaries.

6.10 MERGER. The Borrower will not, nor will it permit any of its Subsidiaries to, merge, amalgamate or consolidate with or into any other Person, except that a Wholly-Owned Subsidiary may merge with the Borrower or a Wholly-Owned Subsidiary of the Borrower, subject to the further conditions that (a) if the Borrower is a party to any such permitted merger, the Borrower shall be the surviving corporation and (b) if any Material Subsidiary is a party to any such permitted merger, the surviving entity shall either be or become a party to the Facility Guaranty pursuant to the terms of SECTION 6.21. Nothing herein shall prohibit a transaction otherwise in compliance with SECTION 6.11, 6.13, or 6.18.

6.11 SALE OF ASSETS. Except as disclosed in SCHEDULE 6.11, the Borrower will not, nor will it permit any of its Subsidiaries to, lease, sell or otherwise dispose of its Property, to any other Person except for:

(a) Sales of inventory in the ordinary course of business (which in the business of the Borrower and its Subsidiaries may include sales of larger quantities of inventory other than to consumers, PROVIDED such sales are consistent with the Borrower's and its Subsidiaries' past practices and which are not extraordinary transactions under Agreement Accounting Principles);

(b) The sale, discount, or transfer of delinquent accounts receivable in the ordinary course of business for purposes of collection only;

(c) Occasional sales, leases or other dispositions of immaterial assets for cash consideration and for not less than fair market value;

(d) Sales, leases or other dispositions of assets that are obsolete or have negligible fair market value;

(e) Sales of equipment for cash consideration and for fair market value (but if replacement equipment is necessary for the proper operation of the business of the seller, the seller must promptly replace the sold equipment);

(f) Leases, sales or other dispositions of its Property to the Borrower or a Wholly-Owned Subsidiary of the Borrower;

(g) Other leases, sales or other dispositions of its Property subject to the requirement that the net proceeds of each such lease, sale or other disposition of Property are reinvested in the business of the Borrower and the Subsidiaries as conducted in accordance with the requirements of SECTION 6.4 or are used for other general corporate purposes; and

(h) Sales of assets in the ordinary course of business and consistent with past practices for not less than fair market value, including store closings.

Notwithstanding anything herein to the contrary, the aggregate amount of Property of the Borrower and its Subsidiaries leased, sold or disposed of pursuant to CLAUSES (g) and (h) (excluding any equipment which has been promptly replaced) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs shall not: (1) in any single transaction or series of related transactions constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries under CLAUSE (b) of the definition of Substantial Portion or (2) in the aggregate constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries under CLAUSE (a) of the definition of Substantial Portion. Notwithstanding anything herein to the contrary, after consummation of any transaction permitted under this SECTION 6.11, the Borrower shall own not less than eighty percent (80%) of the outstanding capital stock of Material Subsidiaries, the domestic assets of which Material Subsidiaries together with the domestic assets of the Borrower represent at least eighty-five percent (85%) of the total domestic consolidated assets of the Borrower and its Subsidiaries immediately after the consummation of such transaction.

6.12 AFFILIATES. Except in connection with transactions otherwise permitted pursuant to the terms of this ARTICLE VI, the Borrower will not, nor will it permit any of its Subsidiaries to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arm's-length transaction; PROVIDED, HOWEVER, that these provisions shall not be applicable with respect to transactions among the Borrower and its Subsidiaries which are in the ordinary course of business and consistent with past practice.

6.13 INVESTMENTS. The Borrower will not, nor will it permit any of its Subsidiaries to, make or suffer to exist any Investments, or commitments therefor, except:

(a) Investments by the Borrower or any of its Subsidiaries in and to any domestic Subsidiary;

(b) Investments by the Borrower or any of its Subsidiaries in and to any foreign Subsidiary in an aggregate amount at any time not to exceed 15% of Consolidated Total Assets;

(c) Investments in existence as of the close of business on the date hereof and which are described in SCHEDULE 6.13 hereto;

(d) Subject to the proviso set forth below, investments made in connection with Acquisitions permitted under SECTION 6.18;

(e) Investments consisting of cash and cash equivalents;

(f) Subject to the proviso set forth below, other Investments in any other Persons in an aggregate amount at any time not to exceed 10% of Consolidated Net Worth;

(g) Investments owned by the Borrower in connection with the Borrower's Executive Savings Plan; and

(h) Loans, capital contributions and other Investments made by any Subsidiary in the Borrower;

PROVIDED, HOWEVER, notwithstanding anything in this SECTION 6.13 or SECTION 6.18 to the contrary, the aggregate amount of Investments made in connection with Acquisitions made pursuant to CLAUSE (b) of SECTION 6.18 and pursuant to CLAUSE (f) above shall not exceed 10% of Consolidated Net Worth.

6.14 CONTINGENT OBLIGATIONS. The Borrower will not, nor will it permit any of its Subsidiaries to, make or suffer to exist any Contingent Obligation, except:

(a) by endorsement of instruments for deposit or collection in the ordinary course of business;

(b) Contingent Obligations of the Borrower and any of its Subsidiaries existing as of the close of business on the date hereof which are described on SCHEDULE 6.14;

(c) Contingent Obligations in respect of the obligations of any domestic Subsidiary;

(d) Reimbursement Obligations in connection with Letters of Credit;

(e) Reimbursement Obligations in connection with letters of credit not issued by the Issuing Lenders (PROVIDED the issuance thereof is not violative of any other provision of this ARTICLE VI);

(f) Contingent Obligations consisting of the Borrower's guaranty of reimbursement obligations of any Subsidiary in connection with letters of credit not issued by the Issuing Lenders (PROVIDED the issuance thereof is not violative of any other provision of this ARTICLE VI);

(g) Contingent Obligations of any Subsidiary to the extent such Contingent Obligations constitute Indebtedness permitted under this ARTICLE VI;

(h) Guaranties of the Obligations hereunder and of the "Obligations" under and as defined in the 364-Day Credit Agreement;

(i) Contingent Obligations of the Borrower to the extent such Contingent Obligations are included in the calculation of Funded Debt; and

(j) Contingent Obligations in an additional aggregate amount not to exceed \$100,000,000 at any one time outstanding.

6.15 LIENS. (a) The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or such Subsidiary, as applicable, except:

(i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(iii) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(iv) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the same or interfere with the use thereof in the business of the Borrower or any Subsidiary of the Borrower;

(v) Liens existing as of the close of business on the date hereof and which are described in SCHEDULE 5.14;

(vi) Liens created or incurred after the date hereof, given to secure the Indebtedness incurred or assumed in connection with the acquisition or construction of

property or assets useful and intended to be used in carrying on the business of the Borrower or any Subsidiary of the Borrower, including Liens existing on such property or assets at the time of acquisition or construction thereof or at the time of acquisition or construction by the Borrower or such Subsidiary, as applicable, of an interest in any business entity then owning such property or assets, whether or not such existing Liens were given to secure the consideration for the property or assets to which they attach, subject to the requirement that the Lien shall attach solely to the assets acquired or purchased;

(vii) secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred in the ordinary course of business to finance the acquisition of fixed assets or equipment used in the business of such Subsidiary if such Indebtedness does not exceed the lower of the fair market value or the cost of the applicable fixed assets or equipment on the date acquired;

(viii) Liens on real property with respect to Indebtedness the proceeds of which are used (a) for the construction or improvement of the real property securing such Indebtedness or (b) to finance the cost of construction or improvement of such real property, PROVIDED such financing occurs within one hundred eighty (180) days of receipt of the certificate of occupancy with respect to such construction or improvement (other than with respect to a refinancing under CLAUSE (x) below);

(ix) other Liens (a) securing Indebtedness or other obligations not exceeding \$50,000,000 at any one time outstanding or (b) on property having in the aggregate a fair market value at the time of incurrence of the Lien not exceeding \$50,000,000 at any one time outstanding, whichever is greater;

(x) any extension, renewal or replacement of any Lien permitted by the preceding CLAUSES (vi), (vii), (viii) or (ix) hereof in respect of the same property or assets theretofore subject to such Lien in connection with the extension, renewal or refunding of the Indebtedness secured thereby; PROVIDED that (x) such Lien shall attach solely to the same property or assets, and (y) such extension, renewal or refunding of such Indebtedness shall be without increase in the principal remaining unpaid as of the date of such extension, renewal or refunding; and

(xi) Liens on the shares of capital stock of the Borrower's foreign Subsidiaries securing Indebtedness in an amount which shall not exceed twenty-five percent (25%) of the assets of all foreign Subsidiaries.

6.16 MAXIMUM LEVERAGE RATIO. The Borrower shall not permit its Leverage Ratio to be greater than 0.75 to 1.00 as at the end of each fiscal quarter. The Leverage Ratio shall be calculated, in each case, determined as of the last day of each fiscal quarter based upon (A) for Funded Debt and Consolidated Net Worth, Funded Debt and Consolidated Net Worth as of the last day of each fiscal quarter and (B) for Consolidated Rentals, the actual amount for the four-quarter period ending on such day.

6.17 MINIMUM FIXED CHARGE COVERAGE. The Borrower will, at all times in which (a) the Rated Debt of the Borrower is rated less than BBB- by S&P or is rated less than Baa3 by Moody's or (b) the Borrower's Leverage Ratio is greater than 0.60 to 1.00, maintain a Fixed Charge Coverage Ratio for the most recently ended period of four consecutive fiscal quarters of at least 1.50 to 1.00.

6.18 ACQUISITIONS. The Borrower will not, nor will it permit any of its Subsidiaries to, make any Acquisition other than (a) a Permitted Acquisition; and (b) other Acquisitions (i) made at a time when no Default or Unmatured Default exists; (ii) consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired, (iii) the aggregate consideration for which, individually or when aggregated with the aggregate consideration for other Acquisitions made under this CLAUSE (b) does not exceed 10% of Consolidated Net Worth, and (iv) the aggregate consideration for all such Acquisitions PLUS the aggregate amount of Investments made pursuant to SECTION 6.13(f) does not exceed 10% of Consolidated Net Worth.

6.19 RATE HEDGING OBLIGATIONS. The Borrower shall not and shall not permit any of its Subsidiaries to enter into any interest rate, commodity or foreign currency exchange, swap, collar, cap or similar agreements other than interest rate, foreign currency or commodity exchange, swap, collar, cap, leveraged derivative or similar agreements entered into by the Borrower pursuant to which the Borrower or such Subsidiary has hedged its actual interest rate, foreign currency or commodity exposure.

6.20 MATERIAL SUBSIDIARIES. The Borrower will cause each Person that becomes a Material Subsidiary of the Borrower after the date of this Agreement (whether as the result of an Acquisition, creation or otherwise and whether under CLAUSE (b) of the definition of Material Subsidiary or as a result of a designation under CLAUSE (c) of the definition of Material Subsidiary) to execute and deliver a supplement to the Facility Guaranty in substantially the form set forth in EXHIBIT I hereto to and in favor of the Administrative Agent for the benefit of itself, the Issuing Lenders, the Swing Line Lender and the Lenders, together with an opinion of counsel, corporate resolutions and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance satisfactory to the Administrative Agent and in each case (a) within 30 days after becoming a Material Subsidiary of the Borrower, for a Material Subsidiary under CLAUSE (b) of the definition thereof and (b) at the time of designation, for a Material Subsidiary under CLAUSE (c) of the definition thereof. In addition, the Borrower will designate an additional Subsidiary or Subsidiaries as "Material Subsidiaries" under CLAUSE (c) of the definition of Material Subsidiary such that at the end of each fiscal quarter ending on or prior to the Facility Termination Date the Borrower and its Material Subsidiaries in the aggregate shall own at least eighty-five percent (85%) of the total consolidated domestic assets of the Borrower and its Subsidiaries.

6.21 SUBSIDIARY INDEBTEDNESS. The Borrower will not permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness existing on the date hereof or proposed to be incurred, each as described in SCHEDULE 6.21 hereto;

(b) Indebtedness of any Subsidiary to third parties, which Indebtedness for all such Subsidiaries does not exceed 20% of Consolidated Net Worth; and

(c) Indebtedness of any Subsidiary to the Borrower or to any other Subsidiary.

6.22 SUBORDINATION OF INTERCOMPANY INDEBTEDNESS. The Borrower will not and will not permit any of its domestic Subsidiaries to create, incur, assume or suffer to exist any intercompany Indebtedness where the obligor on such Indebtedness is the Borrower or any Subsidiary which is a party to the Facility Guaranty, unless such indebtedness is subordinated to the Obligations hereunder on the terms described in SCHEDULE 6.22.

ARTICLE VII DEFAULTS

7. DEFAULTS. The occurrence of any one or more of the following events shall constitute a Default:

7.1 BREACH OF REPRESENTATION OR WARRANTY. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders, the Swing Line Lender, the Issuing Lenders or the Administrative Agent under or in connection with this Agreement, any Loan, any Letter of Credit or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made or deemed made.

7.2 PAYMENT DEFAULT. Nonpayment of (i) principal of any Loan, Note or L/C Obligations when due, or (ii) interest upon any Loan or Note or of any fee or other obligations under any of the Loan Documents within five Business Days after such interest, fee or other obligation becomes due.

7.3 BREACH OF CERTAIN COVENANTS. The breach by the Borrower of (a) any of the terms or provisions of SECTIONS 6.2 and 6.4, CLAUSE (a) of SECTION 6.3, any of SECTIONS 6.10 through 6.13, SECTION 6.15, SECTIONS 6.18 through 6.19 or (b) any of the terms of SECTIONS 6.16 or 6.17 and such breach under this CLAUSE (b) continues for 10 days after the first to occur of (i) the date an executive officer of the Borrower first knows of or should have known of such breach or (ii) the date the Borrower receives written notice from any Lender (acting through the Administrative Agent) of such breach.

7.4 BREACH OF OTHER PROVISIONS. The breach by the Borrower (other than a breach which constitutes a Default under SECTION 7.1, 7.2 or 7.3) of any of the terms or provisions of this Agreement, and such breach continues for 30 days after the first to occur of (i) the date an executive officer of the Borrower first knows of or should have known of such breach or (ii) the date the Borrower receives written notice from any Lender (acting through the Administrative Agent) of such breach.

7.5 DEFAULT ON MATERIAL INDEBTEDNESS. Failure of the Borrower or any of its Subsidiaries to make a payment on any Indebtedness under the 364-Day Credit Agreement or any Material Indebtedness when due (after giving effect to any applicable grace period); or the default by the Borrower or any of its Subsidiaries in the performance of any term, provision or

condition contained in the 364-Day Credit Agreement or any agreement or agreements under which any Material Indebtedness was created or is governed (and any applicable grace period(s) shall have expired), or any other event shall occur or condition exist, the effect of which is to cause, or to permit the holder or holders of such Indebtedness under the 364-Day Credit Agreement or such Material Indebtedness to cause, such Indebtedness or Material Indebtedness to become due prior to its stated maturity; or any of the Indebtedness under the 364-Day Credit Agreement or any Material Indebtedness of the Borrower or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Subsidiaries shall not pay, or shall admit in writing its inability to pay, its debts generally as they become due.

7.6 VOLUNTARY INSOLVENCY PROCEEDINGS. The Borrower or any of its Subsidiaries shall (a) have an order for relief entered with respect to it under the United States bankruptcy laws as now or hereafter in effect or cause or allow any similar event to occur under any bankruptcy or similar law or laws for the relief of debtors as now or hereafter in effect in any other jurisdiction, (b) make an assignment for the benefit of creditors, (c) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator, monitor or similar official for it or any Substantial Portion of its Property, (d) institute any proceeding seeking an order for relief under the United States bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or any of its property or its debts under any law relating to bankruptcy, insolvency or reorganization or compromise of debt or relief of debtors as now or hereafter in effect in any jurisdiction, or any organization, arrangement or compromise of debt under the laws of its jurisdiction of organization or fail to promptly file an answer or other pleading denying the material allegations of any such proceeding filed against it, (e) take any corporate or other organizational action to authorize or effect any of the foregoing actions set forth in this SECTION 7.6 or (f) fail to contest in good faith, or consent to or acquiesce in, any appointment or proceeding described in SECTION 7.7.

7.7 INVOLUNTARY INSOLVENCY PROCEEDINGS. Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, custodian, trustee, examiner, liquidator or similar official shall be appointed (either privately or by a court) for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in SECTION 7.6(d) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8 CONDEMNATION. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of (each a "CONDEMNATION"), all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such Condemnation occurs, constitutes a Substantial Portion of the consolidated Property of the Borrower and its Subsidiaries.

7.9 JUDGMENTS. The Borrower or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge any one or more judgments or orders for the payment of money in excess of \$20,000,000 in the aggregate (determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage), which judgments are not stayed on appeal with adequate reserves set aside on its books in accordance with Agreement Accounting Principles of the Borrower or any of its Subsidiaries.

7.10 ERISA MATTERS. Any Reportable Event, in connection with any Plan shall occur, which may reasonably be expected to subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000.

7.11 ENVIRONMENTAL MATTERS. The Borrower or any of its Subsidiaries shall be the subject of any proceeding or investigation pertaining to the release by the Borrower or any of its Subsidiaries or any other Person of any petroleum, toxic or hazardous waste or substance into the environment, or any violation of any Environmental, Health or Safety Requirements of Law which, in either case, could reasonably be expected to have a Material Adverse Effect or subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000 (in each case, determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage).

7.12 CHANGE OF CONTROL. Any Change in Control shall occur.

7.13 CHANGE OF SUBSIDIARY OWNERSHIP; FACILITY GUARANTY OR LOAN DOCUMENT DEFAULTS. The Borrower shall cease to own 80% of the outstanding equity interests of any Material Subsidiary which has executed a Facility Guaranty except in connection with a transaction expressly permitted under the terms of SECTIONS 6.10, 6.11, 6.13 or 6.14; or any Facility Guaranty or other Loan Document shall fail to remain in full force or effect or any party thereto shall so assert; or any action shall be taken to discontinue, revoke or to assert the invalidity or unenforceability of any Facility Guaranty or other Loan Document; or any Material Subsidiary shall fail to comply in any material respect with any of the terms or provisions of any Facility Guaranty or other Loan Document to which it is a party; or any Material Subsidiary shall deny that it has any further liability under any Facility Guaranty or other Loan Document to which it is a party, or shall give notice to such effect.

7.14 OFF-BALANCE SHEET LIABILITIES. Other than at the request of an Affiliate of the Borrower party thereto (as permitted thereunder), an event shall occur which (i) permits the investors in respect of Off-Balance Sheet Liabilities of the Borrower or any of its Subsidiaries in an amount, individually or in the aggregate, in excess of \$20,000,000, to require amortization or liquidation of such Off-Balance Sheet Liabilities and (x) such event is not remedied within ten (10) days after the occurrence thereof or (y) such investors shall require amortization or liquidation of such Off-Balance Sheet Liabilities as a result of such event, or (ii) results in the

termination or reinvestment of collections or proceeds of accounts or note receivables, as applicable, under the documents and other agreements evidencing such Off-Balance Sheet Liabilities.

ARTICLE VIII
ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1 ACCELERATION. If any Default described in SECTION 7.6 or 7.7 occurs, the obligations of the Lenders to make Loans or purchase participations in Letters of Credit or Swing Line Loans hereunder and the obligation of the Issuing Lenders to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender, and without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives. If any other Default occurs and is continuing (which Default has not been waived under the terms of SECTION 8.2) the Required Lenders may (a) terminate or suspend the obligations of the Lenders to make Loans and purchase participations in Letters of Credit or Swing Line Loans hereunder, whereupon the obligation of the Issuing Lenders to issue Letters of Credit hereunder shall also terminate or be suspended, or (b) declare the Obligations to be due and payable, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, or (c) take the action described in both the preceding CLAUSE (a) and the preceding CLAUSE (b).

If, within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in SECTION 7.6 or 7.7) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2 AMENDMENTS. Subject to the provisions of this ARTICLE VIII, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default or Unmatured Default hereunder; PROVIDED, HOWEVER, that no such supplemental agreement shall, without the consent of each Lender affected thereby:

(a) extend the maturity of any Loan, Note or Reimbursement Obligation or forgive all or any portion of the principal amount thereof, any interest thereon or any fees or other amounts payable hereunder, or reduce the rate or extend the time of payment of interest, fees or other amounts payable hereunder;

(b) reduce the percentage specified in the definition of Required Lenders;

(c) except as provided in SECTION 2.11(d), increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights or obligations under this Agreement;

(d) except as provided in SECTION 9.15, release any Material Subsidiary from its obligations under the Facility Guaranty; or

(e) amend this SECTION 8.2.

No amendment of any provision of this Agreement relating in any way to the Administrative Agent or any or all of the Letters of Credit shall be effective without the written consent of the Administrative Agent and each Issuing Lender. No amendment of any provision of this Agreement which subjects any Designated Lender to any additional obligation hereunder shall be effective with respect to such Designated Lender without the written consent of such Designated Lender or its Designating Lender. No amendment of any provision of this Agreement relating to Swing Line Loans shall be effective without the written consent of the Swing Line Lender. The Administrative Agent may waive payment of the fee required under SECTION 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3 PRESERVATION OF RIGHTS. No delay or omission of the Lenders or any of them or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude any other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by (or with the consent of) the Lenders required pursuant to SECTION 8.2, and then only to the extent specifically set forth in such writing. All remedies contained in the Loan Documents or afforded by law shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid in full.

ARTICLE IX GENERAL PROVISIONS

9.1 SURVIVAL OF REPRESENTATIONS. All representations and warranties of the Borrower contained in this Agreement shall survive delivery hereof (including any Notes) and the making of the Loans herein contemplated.

9.2 GOVERNMENTAL REGULATION. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3 TAXES; STAMP DUTIES. Any taxes (excluding taxes (including net income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by such Lender's, Swing Line Lender's or Issuing Lender's, as the case may be, net income by the United States of America or any Governmental Authority of the jurisdiction under the laws of which such Lender, Swing Line Lender or Issuing Lender, as the case may be, is organized or maintains its Lending

Installation) or other similar assessments or charges made by any Governmental Authority or revenue authority in respect of the Loan Documents shall be paid by the Borrower, together with interest and penalties, if any, as provided in SECTION 3.1. The Borrower shall pay and forthwith on demand indemnify each of the Administrative Agent and each Lender against any liability it incurs in respect of any stamp, registration and similar tax which is or becomes payable in connection with the entry into, performance or enforcement of any Loan Document. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Loans to reduce any liability of the Borrower to such Lender under this SECTION 9.3, so long as such designation is not disadvantageous to such Lender in its reasonable determination. If any Lender has demanded compensation under this SECTION 9.3, the Borrower may elect to require the applicable Lender to assign its outstanding Syndicated Loans, L/C Interests and Commitment hereunder to another financial institution designated by the Borrower and reasonably acceptable to the Administrative Agent. The obligation of a Lender to assign its rights and obligations hereunder as contemplated by this SECTION 9.3 is subject to the requirements that (x) all amounts owing to that Lender under the Loan Documents are paid in full upon the completion of such assignment and (y) any assignment is effected in accordance with the terms of SECTION 12.3 and on terms otherwise satisfactory to that Lender (it being understood that the Borrower or the replacement Lender shall pay the processing fee payable to the Administrative Agent pursuant to SECTION 12.3.2 in connection with any such assignment).

9.4 HEADINGS. Section headings in the Loan Documents are for convenience of reference only and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.5 ENTIRE AGREEMENT. The Loan Documents embody the entire agreement and understanding among the Borrower, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Administrative Agent and the Lenders relating to the subject matter thereof.

9.6 SEVERAL OBLIGATIONS; BENEFITS OF THIS AGREEMENT. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties (and their directors, officers and employees with respect to SECTION 9.7 to this Agreement) and their respective successors and assigns.

9.7 EXPENSES; INDEMNIFICATION.

(a) The Borrower shall reimburse the Administrative Agent for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Administrative Agent and the Arrangers; which attorneys may be employees of the Administrative Agent and the Arrangers or of one outside counsel, but not both) paid or incurred by the Administrative Agent or the Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees

to reimburse the Administrative Agent, the Arrangers, the Issuing Lenders, the Swing Line Lender and the Lenders for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of not more than three firms of attorneys for the Administrative Agent, the Arrangers and the Lenders, which attorneys may be employees of such persons) paid or incurred by the Administrative Agent, the Arrangers or any Lender in connection with the restructuring, workout, collection and/or enforcement of the Loan Documents.

(b) The Borrower further agrees to defend, protect, indemnify, and hold harmless the Administrative Agent, the Swing Line Lender, and each and all of the Issuing Lenders, the Lenders and the Arrangers and each of their respective Affiliates, and each of such Person's respective officers, directors, employees, partners, managers, shareholders, attorneys and agents (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs and expenses of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of attorneys and paralegals for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Agreement, the other Loan Documents or any act, event or transaction related or attendant thereto or to the making of the Loans, and the issuance or modification of and participation in Letters of Credit hereunder, the management of such Loans or Letters of Credit, the use or intended use of the proceeds of the Loans or Letters of Credit hereunder, or any of the other transactions contemplated by the Loan Documents; or

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions and interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective Property of the Borrower or its Subsidiaries, the presence of asbestos-containing materials at any respective property of the Borrower or its Subsidiaries or the release or threatened release of any petroleum, toxic or hazardous waste or substance into the environment (collectively, the "INDEMNIFIED MATTERS");

PROVIDED, HOWEVER, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters caused solely by or resulting solely from the willful misconduct or Gross Negligence of such Indemnitee as determined by the final non-appealable judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth

in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(c) The Borrower further agrees to assert no claim against any of the Indemnitees on any theory of liability for consequential, special, indirect, exemplary or punitive damages. No settlement shall be entered into by the Borrower or any of its Subsidiaries with respect to any claim, litigation, arbitration or other proceeding relating to or arising out of the transaction evidenced by this Agreement or the other Loan Documents (whether or not the Administrative Agent or any Lender or any other Indemnitee is a party thereto) unless such settlement releases all Indemnitees from any and all liability with respect thereto. After submission of a written request to an Indemnitee from the Borrower detailing the nature of any claim, litigation, arbitration or other proceeding which relates to or arises out of the transaction evidenced by this Agreement or the other Loan Documents, such Indemnitee shall inform the Borrower as to whether it will require compliance with the provisions of this CLAUSE (c) or whether it will waive such compliance, any waiver of which shall be applicable only for such Indemnitee.

(d) The obligations of the Borrower under this Section shall survive the termination of this Agreement.

9.8 NUMBERS OF DOCUMENTS. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent, if it deems appropriate, may furnish one to each of the Lenders.

9.9 ACCOUNTING. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles. If any changes in generally accepted accounting principles are hereafter required or permitted and are adopted by the Borrower or any of its Subsidiaries with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the financial covenants, restrictions or standards herein or in the related definitions or terms used therein ("ACCOUNTING CHANGES"), the parties hereto agree, at the Borrower's request, to enter into negotiations, in good faith, in order to amend such provisions in a credit neutral manner so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's and its Subsidiaries' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made; PROVIDED, HOWEVER, until such provisions are amended in a manner reasonably satisfactory to the Administrative Agent and the Required Lenders, no Accounting Change shall be given effect in such calculations and all financial statements and reports required to be delivered hereunder shall be prepared in accordance with Agreement Accounting Principles without taking into account such Accounting Changes. In the event such amendment is entered into, all references in this Agreement to Agreement Accounting Principles shall mean generally accepted accounting principles in effect as of the date of such amendment.

9.10 SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction,

be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.11 NONLIABILITY OF LENDERS. The relationship between the Borrower, on the one hand, and the Lenders and the Administrative Agent, on the other hand, shall be solely that of borrower and lender. Neither the Administrative Agent nor any Lender shall have any fiduciary responsibilities to the Borrower or any of its Subsidiaries. Neither the Administrative Agent nor any Lender undertakes any responsibility to the Borrower or any of its Subsidiaries to review or inform the Borrower or any of its Subsidiaries of any matter in connection with any phase of the business or operations of the Borrower or any of its Subsidiaries.

9.12 GOVERNING LAW. THE ADMINISTRATIVE AGENT ACCEPTS THIS AGREEMENT, ON BEHALF OF ITSELF, THE ISSUING LENDERS, THE SWING LINE LENDER AND THE LENDERS, AT CHICAGO, ILLINOIS BY ACKNOWLEDGING AND AGREEING TO IT THERE. ANY DISPUTE BETWEEN THE BORROWER AND ANY OF THE ADMINISTRATIVE AGENT, ANY ISSUING LENDER, THE SWING LINE LENDER OR ANY LENDER, OR ANY OTHER HOLDER OF THE OBLIGATIONS ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

9.13 CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL.

(A) JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM, BUT THE BORROWER ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS. EXCEPT AS SET FORTH IN CLAUSE (B) BELOW, ANY JUDICIAL PROCEEDING BY THE ADMINISTRATIVE AGENT, THE SWING LINE LENDER, ANY ISSUING LENDER OR ANY LENDER ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS IF BROUGHT OTHER THAN IN ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS, SHALL BE BROUGHT ONLY IN A COURT IN BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT, THE

SWING LINE LENDER, ANY ISSUING LENDER OR ANY LENDER OR ANY AFFILIATE OF ANY SUCH PERSON INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS, BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK, TO THE EXTENT THAT JURISDICTION CAN BE OBTAINED AGAINST SUCH PERSONS IN ANY SUCH JURISDICTION, BUT THE PARTIES HERETO ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS, BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK. EACH OF THE PARTIES HERETO WAIVES IN ALL DISPUTES BROUGHT IN THE JURISDICTIONS IDENTIFIED IN THIS CLAUSE (A) ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE PROVIDED, WITH RESPECT TO THE ADMINISTRATIVE AGENT OR ANY LENDER, PERSONAL JURISDICTION WITH RESPECT TO SUCH PARTY MAY BE OBTAINED IN SUCH JURISDICTION.

(B) OTHER JURISDICTIONS. NOTHING HEREIN SHALL LIMIT THE RIGHT OF ANY PERSON TO BRING ANY ACTION HEREUNDER IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO OBTAIN PERSONAL JURISDICTION OVER ANY OTHER PERSON WITH RESPECT HERETO. THE BORROWER AGREES THAT THE ADMINISTRATIVE AGENT, ANY ISSUING LENDER, ANY SWING LINE LENDER, ANY LENDER OR ANY OTHER HOLDER OF THE OBLIGATIONS SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT UNDER THIS CLAUSE (B) BY SUCH PERSON TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SUCH PERSON, ALL OF WHICH PERMISSIVE COUNTERCLAIMS SHALL BE BROUGHT BY THE BORROWER IN THE JURISDICTIONS IDENTIFIED IN CLAUSE (A) ABOVE. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS CLAUSE (B).

(C) SERVICE OF PROCESS; INCONVENIENT FORUM. THE BORROWER WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND AGREES THAT ANY SUCH PROCESS MAY BE SERVED BY REGISTERED MAIL TO THE BORROWER AT ITS ADDRESS FOR NOTICES PURSUANT TO SECTION 13.1. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith IN ANY JURISDICTION SET FORTH ABOVE.

(D) WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(E) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 9.13 WITH ITS COUNSEL.

9.14 CONFIDENTIALITY. Each Lender agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (i) to other Lenders and its and their respective Affiliates, Transferees and prospective Transferees (each of whom by its acceptance thereof, agrees to be bound by the terms of this SECTION 9.14), (ii) in confidence to legal counsel, accountants and other professional advisors to that Lender or to Transferees or prospective Transferees pursuant to SECTION 12.5, (iii) to regulatory officials, (iv) to any Person as requested (which request such Lender reasonably believes could give rise to mandatory disclosure) or pursuant to or as required by law, regulation or legal process, (v) to any Person in connection with any legal proceeding to which that Lender is a party with respect to any claim, litigation, arbitration or other proceeding relating to or arising out of the transaction evidenced by this Agreement or the other Loan Documents, (vi) to any Person in connection with any other legal proceeding to which that Lender is a party, PROVIDED, that such Lender uses reasonable efforts to give the Borrower notice of any disclosure thereunder and PROVIDED, FURTHER, that any failure in such regard shall not result in any liability on the part of such Lender, and (vii) permitted by SECTION 12.5.

9.15 FACILITY GUARANTY RELEASES. Each of the Lenders, the Swing Line Lender, the Issuing Lenders and the Administrative Agent agrees that upon the consummation of any transaction involving a merger permitted under the last sentence of SECTION 6.10, or the sale of all or substantially all of the assets or equity interests of a Material Subsidiary (which sale is permitted pursuant to the terms of SECTION 6.11) or any other transaction otherwise permitted under this Agreement pursuant to which any Material Subsidiary shall cease to be a Material Subsidiary hereunder, upon the reasonable request of the Borrower, the Administrative Agent, for itself and on behalf of the Lenders, the Swing Line Lender and the Issuing Lenders, shall promptly release and terminate the Facility Guaranty with respect to the Material Subsidiary which is the subject of such transaction.

ARTICLE X
THE ADMINISTRATIVE AGENT

10.1 APPOINTMENT; NATURE OF RELATIONSHIP. Bank One is appointed by the Issuing Lenders, Swing Line Lender and Lenders as the Administrative Agent hereunder and under each other Loan Document, and each of the Issuing Lenders, the Swing Line Lender and the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Person with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE X. Notwithstanding the use of the defined term "Administrative Agent" or "agent" in reference to Bank One, it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Issuing Lender, Swing Line Lender or Lender by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Issuing Lenders, Swing Line Lender and Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as such contractual representative, the Administrative Agent (i) does not assume any fiduciary duties to any of the Issuing Lenders, Swing Line Lender or Lenders, (ii) is a "representative" of the Issuing Lenders, Swing Line Lender and Lenders within the meaning of Section 9-102 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Issuing Lenders, Swing Line Lender and Lenders agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Issuing Lender, Swing Line Lender and Lender waives.

10.2 POWERS. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Issuing Lenders, Swing Line Lender or Lenders, or any obligation to the Issuing Lenders, Swing Line Lender or Lenders to take any action hereunder or under any of the other Loan Documents except any action specifically provided by the Loan Documents required to be taken by the Administrative Agent.

10.3 GENERAL IMMUNITY. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Issuing Lender, Swing Line Lender or Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is found in a final judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of such Person.

10.4 NO RESPONSIBILITY FOR LOANS, CREDITWORTHINESS, COLLATERAL, RECITALS, ETC. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Loan Document or any extension of credit hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower, any Subsidiary or any other obligor under any Loan Document; (iii) the satisfaction of

any condition specified in ARTICLE IV, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or Unmatured Default; or (v) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Issuing Lender, Swing Line Lender or Lender for any recitals, statements, representations or warranties herein or in any of the other Loan Documents or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectibility or sufficiency of this Agreement or any of the other Loan Documents or the transactions contemplated thereby, or for the financial condition of the Borrower or any of its Subsidiaries. The Administrative Agent will use its reasonable efforts to distribute to each of the Lenders, in a timely fashion, a copy of all written reports, certificates and information required to be supplied by the Borrower or any of its Subsidiaries to the Administrative Agent pursuant to the terms of this Agreement or any of the other Loan Documents; PROVIDED that any failure in such regard shall not result in any liability on the part of the Administrative Agent and provided, FURTHER that the Administrative Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Administrative Agent at such time, but is voluntarily furnished by the Borrower to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

10.5 ACTION ON INSTRUCTIONS OF LENDERS. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders or all of the Lenders (as applicable under SECTION 8.2), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Issuing Lenders, Swing Line Lender, Lenders and any other holders of the Obligations. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction (which shall not include any requirement that it be indemnified for its willful misconduct or Gross Negligence) by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6 EMPLOYMENT OF AGENTS AND COUNSEL. The Administrative Agent may execute any of its duties as the Administrative Agent hereunder and under any other Loan Document by or through employees, agents and attorney-in-fact and shall not be answerable to the Issuing Lenders, Swing Line Lender or Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Issuing Lenders, Swing Line Lender and Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

10.7 RELIANCE ON DOCUMENTS; COUNSEL. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect of legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative

Agent and which counsel may have acted as counsel for the Administrative Agent in connection with the negotiation and execution of this Agreement and the other Loan Documents.

10.8 THE ADMINISTRATIVE AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Pro Rata Shares (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Issuing Lenders, Swing Line Lender or Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including with respect to any disagreement between or among any of the Administrative Agent, Issuing Lenders, Swing Line Lender or Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, PROVIDED that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of the Administrative Agent.

10.9 RIGHTS AS A LENDER. With respect to its Commitment, Loans made by it, Letters of Credit issued by it and Notes (if any) issued to it, Bank One (or any other Person succeeding it as the Administrative Agent) shall have the same rights and powers hereunder and under any other Loan Document as any Lender, Issuing Lender or Swing Line Lender, as applicable, and may exercise the same as though it were not the Administrative Agent, and the terms "Lender," "Lenders," "Issuing Lender," "Issuing Lenders," "Swing Line Lender," and "Swing Line Lenders" shall, unless the context otherwise indicates, include Bank One (or any other Person succeeding it as the Administrative Agent) in its individual capacity. Bank One (or any other Person succeeding it as the Administrative Agent) may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which such Person is not prohibited hereby from engaging with any other Person.

10.10 LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Issuing Lender, Swing Line Lender or Lender and based on the financial statements prepared by the Borrower and its Subsidiaries and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Issuing Lender, Swing Line Lender or Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.11 SUCCESSOR ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, without the consent of the Borrower and on behalf of the Swing Line Lender, Issuing Lenders and Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, without the consent of the Borrower and on behalf of the Issuing Lenders, Swing Line Lender and Lenders, a successor Administrative Agent, which successor Administrative Agent shall be a Lender unless no Lender shall so agree in which event such successor Administrative Agent may be a Person of the Administrative Agent's choosing. Notwithstanding anything herein to the contrary, so long as no Default has occurred and is continuing, each such successor Administrative Agent shall be subject to approval by the Borrower, which approval shall not be unreasonably withheld. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE X shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents.

10.12 NO DUTIES IMPOSED ON SYNDICATION AGENTS, DOCUMENTATION AGENTS OR ARRANGERS. None of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent," "Documentation Agent" or "Arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, if such Person is a Lender, Issuing Lender or Swing Line Lender, those applicable to all Lenders, Issuing Lenders or Swing Line Lenders as such. Without limiting the foregoing, none of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent," "Documentation Agent" or "Arranger" shall have or be deemed to have any fiduciary duty to or fiduciary relationship with any Lender. In addition to the agreement set forth in SECTION 10.12, each of the Lenders acknowledges that it has not relied, and will not rely, on any of the Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

10.13 ADMINISTRATIVE AGENT'S FEE. The Borrower agrees to pay to the Administrative Agent, for its own account, the fees agreed to by the Borrower and the Administrative Agent by separate letter agreement, or as otherwise agreed from time to time.

ARTICLE XI
SETOFF; RATABLE PAYMENTS

11.1 SETOFF. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default or Unmatured Default occurs and is continuing, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2 RATABLE PAYMENTS. If any Lender, whether by setoff or otherwise, has payment made to it upon its Syndicated Loans (other than payments received pursuant to SECTION 3.1, 3.2 or 3.4) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Syndicated Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of Syndicated Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their Syndicated Loans. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

11.3 APPLICATION OF PAYMENTS. The Administrative Agent shall, unless otherwise specified at the direction of the Required Lenders which direction shall be consistent with the last sentence of this SECTION 11.3, apply all payments and prepayments in respect of any Obligations in the following order:

(a) FIRST, to pay interest on and then principal of any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(b) SECOND, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Administrative Agent in its capacity as such;

(c) THIRD, to pay interest on and then principal outstanding on the Swing Line Loans, applied ratably to all outstanding Swing Line Loans;

(d) FOURTH, to the ratable payment of Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Lenders, Swing Line Lender and Issuing Lenders;

(e) FIFTH, to pay interest due in respect of Loans (other than Swing Line Loans) and L/C Obligations;

(f) SIXTH, to the ratable payment or prepayment of principal outstanding on Loans (other than Swing Line Loans) and Reimbursement Obligations in such order as the Administrative Agent may determine in its sole discretion;

(g) SEVENTH, to provide required cash collateral, if any, pursuant to SECTION 2.20.10; and

(h) EIGHTH, to the ratable payment of all other Obligations.

Unless otherwise designated (which designation shall only be applicable if no Default has occurred and is continuing) by the Borrower or unless otherwise mandated by the terms of this Agreement, all principal payments in respect of Loans shall be applied FIRST, to repay outstanding Money Market Rate Loans, SECOND to repay other outstanding Floating Rate Loans, and THEN to repay outstanding Eurodollar Loans with those Eurodollar Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods. The order of priority set forth in this SECTION 11.3 and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent, the Lenders, the Swing Line Lender and the Issuing Lenders as among themselves. The order of priority set forth in CLAUSES (d) through (h) of this SECTION 11.3 may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by Borrower or any other Person. The order of priority set forth in CLAUSES (a) and (b) of this SECTION 11.3 may be changed only with the prior written consent of the Administrative Agent and the order of priority set forth in CLAUSE (c) may be changed only with the prior written consent of the Swing Line Lender.

ARTICLE XII
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1 SUCCESSORS AND ASSIGNS. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and the Lenders and their respective successors and assigns, except that (a) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all of the Lenders and (b) any assignment by any Lender must be made in compliance with SECTION 12.3. Notwithstanding CLAUSE (b) of the preceding sentence, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement and its Notes to a Federal Reserve Bank; PROVIDED, HOWEVER, that no such assignment shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with SECTION 12.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of the rights to any Loan or any Note agrees by acceptance of such transfer or assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder, transferee or assignee of the rights to such Loan.

12.2 PARTICIPATIONS.

12.2.1 PERMITTED PARTICIPANTS; EFFECT. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other Eligible Participants (a "PARTICIPANT") participating interests in any Loan owing to such Lender, any Note held by such Lender, any L/C Interest held by such Lender, the Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Loans and the holder of any Note issued to it for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents. The participation agreement effecting the sale of any participating interest shall contain a representation by the Participant to the effect that none of the consideration used to make the purchase of the participating interest in the Commitment, Loans and L/C Interests under such participation agreement are "plan assets" as defined under ERISA and that the rights and interests of the Participant in and under the Loan Documents will not be "plan assets" under ERISA.

12.2.2 VOTING RIGHTS. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan, L/C Interest or Commitment in which such Participant has an interest which would require the consent of such Participant under SECTION 8.2(a) if such Participant were a Lender.

12.2.3 BENEFIT OF SETOFF AND OTHER PROVISIONS. The Borrower agrees that to the extent permitted by law each Participant shall be deemed to have the right of setoff provided in SECTION 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, PROVIDED that each Lender shall retain the right of setoff provided in SECTION 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in SECTION 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with SECTION 11.2 as if each Participant were a Lender. The Borrower agrees that each Participant shall be entitled to the benefits of SECTIONS 3.1, 3.2 and 3.4 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to SECTION 12.3; PROVIDED, HOWEVER, that in no event shall the Borrower be obligated to make any payment with respect to such Sections which is greater than the amount that the Borrower would have paid to the Lender had no such participating interest been sold.

12.3 ASSIGNMENTS.

12.3.1 PERMITTED ASSIGNMENTS. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more commercial

banks ("PURCHASERS") all or any part of its Commitment and outstanding Loans and L/C Interests, together with its rights and obligations under the Loan Documents with respect thereto; PROVIDED, HOWEVER, that the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of such assignment) may be in the amount of such Lender's entire Commitment but otherwise shall not be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess of that amount. Such assignment shall be substantially in the form of EXHIBIT D hereto or in such other form as may be agreed to by the parties thereto. The consent of the Borrower and the Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not (i) a Lender or (ii) a Wholly-Owned Subsidiary of the same corporate parent of which the assigning Lender is a Subsidiary (neither of which consents may be unreasonably withheld or delayed); PROVIDED, HOWEVER, that if a Default has occurred and is continuing, the consent of the Borrower shall not be required.

12.3.2 EFFECT; EFFECTIVE DATE. Upon (a) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached to EXHIBIT D hereto (a "NOTICE OF ASSIGNMENT"), together with any consents required by SECTION 12.3.1, and (b) payment of a \$3,500 fee to the Administrative Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and Loans under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto and thereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this SECTION 12.3.2, the transferor Lender, the Administrative Agent, and the Borrower shall make appropriate arrangements so that, if the transferor Lender desires that its Loans be evidenced by Notes, replacement Notes are issued to such transferor Lender and, if the Purchaser desires that its Loans be evidenced by Notes, new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting its Commitment, as adjusted pursuant to such assignment.

12.4 DESIGNATED LENDERS. (a) Subject to the terms and conditions set forth in this SECTION 12.4(a), any Lender may from time to time elect to designate an Eligible Designee to provide all or any part of the Loans to be made by such Lender pursuant to this Agreement; PROVIDED the designation of an Eligible Designee by any Lender for purposes of this SECTION 12.4(a) shall be subject to the approval of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld or delayed). Upon the execution by the parties to each such designation of an agreement in the form of EXHIBIT J hereto (a "DESIGNATION AGREEMENT") and the acceptance thereof by the Borrower and the Administrative Agent, the Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit the Designated Lender to provide all or a portion of the Loans to be made by the Designating Lender pursuant to the terms of this

Agreement and the making of such Loans or portion thereof shall satisfy the obligation of the Designating Lender to the same extent, and as if, such Loan was made by the Designating Lender. As to any Loan made by it, each Designated Lender shall have all the rights a Lender making such Loan would have under this Agreement and otherwise; PROVIDED, (x) that all voting rights under this Agreement shall be exercised solely by the Designating Lender and (y) each Designating Lender shall remain solely responsible to the other parties hereto for its obligations under this Agreement, including the obligations of a Lender in respect of Loans made by its Designated Lender. If the Designating Lender's Loans are evidenced by Notes, no additional Notes shall be required with respect to Loans provided by a Designated Lender; PROVIDED, HOWEVER, to the extent any Designated Lender shall advance funds, the Designating Lender shall be deemed to hold any Notes in its possession as an agent for such Designated Lender to the extent of the Loan funded by such Designated Lender. Such Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and communications hereunder. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Administrative Agent shall be responsible for any Designating Lender's application of any such payments. In addition, any Designated Lender may (i) with notice to, but without the consent of the Borrower and the Administrative Agent, assign all or portions of its interests in any Loans to its Designating Lender or to any financial institution consented to by the Borrower and the Administrative Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender and (ii) subject to advising any such Person that such information is to be treated as confidential in accordance with such Person's customary practices for dealing with confidential, non-public information, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any guarantee, surety or credit or liquidity enhancement to such Designated Lender.

(b) Each party to this Agreement hereby agrees that it shall not institute against, or join any other person in instituting against any Designated Lender any bankruptcy, reorganization, arrangements, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law for one year and a day after the payment in full of all outstanding senior indebtedness of any Designated Lender; PROVIDED that the Designating Lender for each Designated Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of their inability to institute any such proceeding against such Designated Lender. This SECTION 12.4(b) shall survive the termination of this Agreement.

12.5 DISSEMINATION OF INFORMATION. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; PROVIDED that each Transferee and prospective Transferee agrees to be bound by SECTION 9.14 of this Agreement.

12.6 TAX TREATMENT. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of SECTION 2.18.

ARTICLE XIII
NOTICES

13.1 GIVING NOTICE. Except as otherwise permitted by SECTION 2.14(b) with respect to telephonic notices, all notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below its signature hereto or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes).

13.2 CHANGE OF ADDRESS. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV
COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. Subject to SECTION 4.1, this Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by telex or telephone that it has taken such action.

[Remainder of this Page Intentionally Blank]

IN WITNESS WHEREOF, the Borrower, the Lenders and the Administrative Agent have executed this Agreement as of the date first above written.

THE TJX COMPANIES, INC.,

as the Borrower

By: /s/ MARY B. REYNOLDS

Name: Mary B. Reynolds

Title: Treasurer

Address:

770 Cochituate Road
Framingham, Massachusetts 01701
Attn: Don Campbell, Chief Financial Officer
Telephone No.: (508) 390-1000
Facsimile No.: (508) 390-2199

BANK ONE, NA (MAIN OFFICE CHICAGO),
as a Lender and as Administrative Agent

By: /s/ VINCENT R. HENCHEK

Name: Vincent R. Henchek
Title: Director

Address:

1 Bank One Plaza
Chicago, Illinois 60670
Attention: Timothy J. King
Telephone No: (312) 732-4973
Facsimile No.: (312) 732-7455
E-mail: tim_j_king@bankone.com

THE BANK OF NEW YORK,
as a Lender and as a Syndication Agent

By: /s/ CHARLOTTE SOHN-FUIKS

Name: Charlotte Sohn-Fuiks

Title: Vice President

Address:

One Wall Street
8th Floor
New York, New York 10286
Attention: Charlotte Sohn-Fuiks
Telephone No: (212) 635-7869
Facsimile No.: (212) 635-1483
E-mail: csohn@bankofny.com

FLEET NATIONAL BANK,
as a Lender, as a Syndication Agent and as an
Issuing Lender

By: /s/ LINDA E.C. ALTO

Name: Linda E.C. Alto
Title: Director

Address:

Mail Stop MA DE 10008F
100 Federal Street
Boston, MA 02110
Attention: Linda E. Alto
Telephone No.: (617) 434-1601
Facsimile: (617) 434-1692
E-mail: linda_e_alto@fleet.com

BANK OF AMERICA, N.A
as a Lender

/s/ AMY KROVOCHECK

Name: Amy Krovocheck
Title: Vice President

Address:

901 Main Street
64th Floor
Dallas, TX 75202
Attention: Amy Krovocheck
Telephone No.: (214) 209-0193
Facsimile: (214) 209-0905
E-mail: amy.a.krovocheck@bankofamerica.com

JPMORGAN CHASE BANK,
as a Lender and Documentation Agent

By: /s/ JOHN FRANCIS

Name: John A. Francis
Title: Vice President

Address:

234 Church Street, 6th Floor
New Haven, CT 06510
Attention: John A. Francis
Telephone No.: (860) 633-7799
Facsimile: (203) 784-3838
E-mail: john.francis@jpmorgan.com

UNION BANK OF CALIFORNIA, N.A.
as a Lender

By: /s/ THERESA L. ROCHA

Name: Theresa L. Rocha
Title: Vice President

Address:

350 California Street
6th Floor
San Francisco, CA 94546
Attention: Terry Rocha
Telephone No.: (415) 705-7594
Facsimile: (415) 705-7085
E-mail: theresa.rocha@uboc.com

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ BRENDAN A. LAWLOR

Name: Brendan A. Lawlor
Title: Vice President

Address:

127 Public Square
Mail Code OH-01-27-0606
Cleveland, OH 44114
Attention: Brendan Lawlor
Telephone No.: (216) 689-5642
Facsimile: (216) 689-4981
E-mail: brendan_a_lawlor@keybank.com

PNC BANK, NATIONALK ASSOCIATION

as a Lender

By: /s/ DONALD V. DAVIS

Name: Donald V. Davis

Title: Vice President

Address:

70 East 55th Street, 21st Floor
New York, NY 10022

Attention: Donald V. Davis

Telephone No.: (212) 303-0034

Facsimile: (212) 303-0064

E-mail: dv.davis@pncbank.com

MELLON BANK, N.A.,
as a Lender

By: /s/ NANCY E. GALE

Name: Nancy E. Gale
Title: Vice President

Address:

1 Mellon Center
Room 4450
Pittsburgh, PA 15258
Attention: Nancy E. Gale
Telephone No.: (412) 268-2800
Facsimile: (412) 236-6112
E-mail:

THE ROYAL BANK OF SCOTLAND PLC,
as a Lender

By: /s/ CLIVE HALLAM

Name: Clive Hallam
Title: Corporate Director

Address:

135 Bishopsgate
London EC2M 3UR

Attention: Simon Millsop/Steve Beale
Telephone No.: 00 44 207 375 8781/8466
Facsimile: 00 44 207 375 8710
E-mail: simon.millsop@rbs.co.uk
steve.beale@rbs.co.uk

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ THOMAS L. BAYER

Name: Thomas L. Bayer
Title: Vice President

Address:

Retail & Apparel Group
SL-TW-12MP
One U.S. Bank Plaza
St. Louis, MO 63101
Attention: Tom Bayer
Telephone No.: (314) 418-3993
Facsimile: (314) 418-3859
E-mail: thomas.l.bayer@firststar.com

CITIZENS BANK OF MASSACHUSETTS,
as a Lender

By: /s/ STEPHEN FOLEY

Name: Stephen Foley
Title: Vice President

Address:

28 State Street
15th Floor
Boston, MA 02110
Attention: Maria Chaplain
Telephone No.: (781) 655-4391
Facsimile: (781) 655-4050
E-mail: maria.chaplain@citizensbank.com

FIFTH THIRD BANK,
as a Lender

By: /s/ CHRISTINE L. WAGNER

Name: Christine L. Wagner
Title: Assistant Vice President

Address:

MD 109054
38 Fountain Square Plaza
Cincinnati, OH 45263
Attention: Christine L. Wagner
Telephone No.: (513) 534-7348
Facsimile: (513) 534-5947
E-mail: Christine.Wagner@53.com

SOVEREIGN BANK,
as a Lender

By: /s/ ROBERT E. COOK

Name: Robert E. Cook
Title: Vice President

Address:

75 State Street
Boston, MA
Attention: Jesse Wong, AVP
Telephone No.: (617) 346-7343
Facsimile: (617) 346-3330
E-mail: jwong@sovereignbank.com
rcook@sovereignbank.com

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as a Lender

By: /s/ CAROLINE E. GATES

Name: Caroline E. Gates

Title: Vice President

Address:

70 East 55th Street
11th Floor
New York, NY 10022
Attention: Caroline Gates
Telephone No.: (212) 836-4043
Facsimile: (212) 593-5241
E-mail: caroline.e.gates@wellsfargo.com

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364-DAY REVOLVING CREDIT AGREEMENT
Dated as of March 26, 2002

among

THE TJX COMPANIES, INC.,

as the Borrower,

THE FINANCIAL INSTITUTIONS NAMED HEREIN,

as the Lenders,

BANK ONE, NA,

as Administrative Agent,

FLEET NATIONAL BANK,

and

THE BANK OF NEW YORK,

as Syndication Agents,

and

BANK OF AMERICA, N.A. and JPMORGAN CHASE BANK

as Documentation Agents

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FLEET SECURITIES, INC.

and

BNY CAPITAL MARKETS, INC.

as Co-Lead Arrangers and Joint Book Runners

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Exhibit J	Form of Designation Agreement

THIS 364-DAY REVOLVING CREDIT AGREEMENT, dated as of March 26, 2002, is among THE TJX COMPANIES, INC., as the Borrower, THE FINANCIAL INSTITUTIONS NAMED HEREIN, as the Lenders, BANK ONE, NA, having its principal place of business in Chicago, Illinois, as the Administrative Agent, FLEET NATIONAL BANK and THE BANK OF NEW YORK, as Syndication Agents, and Bank of America, N.A. and JPMorgan Chase Bank, as Documentation Agents. The parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.1 CERTAIN DEFINED TERMS. As used in this Agreement the following terms shall have the following meanings, such meanings being equally applicable to both the singular and plural forms of the terms defined:

"ABSOLUTE RATE AUCTION" has the meaning specified in SECTION 2.10(b)(i).

"ACCOUNTING CHANGES" has the meaning specified in SECTION 9.9.

"ACQUISITION" means any transaction, or any series of related transactions, by which the Borrower or any of its Subsidiaries (a) acquires any going business or all or substantially all of the assets of any firm, corporation or division thereof which constitutes a going business, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency), or a majority (by percentage or voting power) of the outstanding partnership interests of a partnership or a majority (by percentage or voting power) of the outstanding ownership interests of a limited liability company.

"ADMINISTRATIVE AGENT" means Bank One in its capacity as contractual representative for the Lenders pursuant to ARTICLE X, and not in its capacity as a Lender, and any successor Administrative Agent appointed pursuant to ARTICLE X.

"ADVANCE" means a Syndicated Advance or a Bid Rate Advance.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 20% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise; PROVIDED THAT no individual shall be an Affiliate solely by reason of being, or actions taken as, a director, officer or employee.

"AGGREGATE COMMITMENT" means the aggregate of the Commitments of all the Lenders, as adjusted from time to time pursuant to the terms hereof. The initial Aggregate Commitment hereunder is Three Hundred Million Dollars (\$300,000,000).

"AGREEMENT" means this 364-Day Revolving Credit Agreement, as it may from time to time be amended, restated, supplemented or otherwise modified.

"AGREEMENT ACCOUNTING PRINCIPLES" means generally accepted accounting principles as in effect in the United States from time to time; PROVIDED, HOWEVER, that except as provided in SECTION 9.9, with respect to the calculation of financial ratios set forth in SECTIONS 6.16 and 6.17 (and the defined terms used in such Sections), "Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States as of January 27, 2001 (as modified by Statement of Financial Accounting Standards (SFAS) Nos. 133, 141, 142, 143 and 144 and as otherwise applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in SECTION 5.4 hereof). An Affiliate of the Borrower which is consolidated with the accounts of the Borrower in accordance with Agreement Accounting Principles shall for all accounting and financial tests contained in this Agreement be treated as a Subsidiary hereunder.

"ALTERNATE BASE RATE" means, for any day, a rate of interest per annum equal to the higher of (a) the Prime Rate for such day and (b) the sum of Federal Funds Effective Rate for such day PLUS 0.50% per annum.

"APPLICABLE FACILITY FEE RATE" means, from time to time, the Applicable Facility Fee Rate set forth in SECTION 2.21.

"APPLICABLE UTILIZATION FEE RATE" means, from time to time, the Applicable Utilization Fee Rate set forth in SECTION 2.21.

"ARRANGERS" means Fleet Securities, Inc. and BNY Capital Markets, Inc., in their capacities as co-lead arrangers and joint book runners.

"ARTICLE" means an article of this Agreement unless another document is specifically referenced.

"AUTHORIZED OFFICER" means any of the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Controller or the Treasurer of the Borrower, acting singly.

"BANK ONE" means Bank One, NA, having its principal place of business in Chicago, Illinois, in its individual capacity, and its successors.

"BID RATE ADVANCE" means a borrowing consisting of simultaneous Bid Rate Loans to the Borrower from each of the Lenders whose offer to make a Bid Rate Loan as part of such borrowing has been accepted by the Borrower under the applicable auction bidding procedure described in SECTION 2.10.

"BID RATE ADVANCE BORROWING NOTICE" has the meaning specified in SECTION 2.10(B)(I).

"BID RATE INTEREST PERIOD" means, (i) with respect to a Bid Rate Advance priced based on the Eurodollar Base Rate, a period of one, two, three or six months commencing on a

Business Day selected by the Borrower pursuant to this Agreement and (ii) with respect to a Bid Rate Advance priced at an absolute rate per annum, a period of from one to 180 days commencing on a Business Day selected by the Borrower pursuant to this Agreement.

"BID RATE LOAN" means a loan by a Lender to the Borrower as part of a Bid Rate Advance resulting from the applicable auction bidding procedure described in SECTION 2.10.

"BID RATE NOTE" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of EXHIBIT A-2 hereto, evidencing the indebtedness of the Borrower to such Lender resulting from the Bid Rate Loans made by such Lender to the Borrower.

"BID RATE REDUCTION" has the meaning specified in SECTION 2.1.

"BNY" means The Bank of New York, in its individual capacity, and its successors.

"BORROWER" means The TJX Companies, Inc., a Delaware corporation, and its successors and assigns.

"BORROWING DATE" means a date on which an Advance is made hereunder.

"BORROWING NOTICE" means a Syndicated Advance Borrowing Notice or a Bid Rate Advance Borrowing Notice.

"BUSINESS DAY" means (a) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago, Illinois, New York, New York and London, England for the conduct of substantially all of their commercial lending activities and (b) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago, Illinois for the conduct of substantially all of their commercial lending activities.

"CAPITALIZED LEASE" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CAPITALIZED LEASE OBLIGATIONS" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"CHANGE" has the meaning specified in SECTION 3.2.

"CHANGE IN CONTROL" means:

(a) the acquisition by any Person, or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) of Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and

Exchange Commission under the Securities Exchange Act of 1934, as amended), directly or indirectly, of 50% or more of the outstanding shares of voting stock of the Borrower; or

(b) during any period of twelve (12) consecutive calendar months, individuals:

(i) who were directors of the Borrower on the first day of such period; or

(ii) whose election or nomination for election to the board of directors of the Borrower was recommended or approved by at least a majority of the directors then still in office who were directors of the Borrower on the first day of such period, or whose election or nomination for election was so approved,

shall cease to constitute a majority of the board of directors of the Borrower.

"CHIEF FINANCIAL OFFICER" means, at any time, the Person who reports to the board of directors of the Borrower on the financial affairs of the Borrower and its Subsidiaries.

"CODE" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"COMBINED COMMITMENT" means the sum of (a) the Aggregate Commitment (as defined in the 5-Year Credit Agreement) and (b) (i) prior to the Conversion Date, the Aggregate Commitment hereunder and (ii) from and after the Conversion Date, the aggregate principal amount of all Loans hereunder.

"COMBINED UTILIZED AMOUNT" means (1) the sum of all Loans (whether Syndicated Loans or Bid Rate Loans), and (2) the aggregate principal amount of all "Loans" (whether "Syndicated Loans", "Bid Rate Loans" or "Swing Line Loans") and "L/C Obligations" under and as defined in the 5-Year Credit Agreement.

"COMMITMENT" means, for each Lender, the obligation of such Lender to make Syndicated Loans not exceeding, in the aggregate, the amount set forth opposite its name on SCHEDULE 1 hereto or as set forth in any Notice of Assignment relating to any assignment that has become effective pursuant to SECTION 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

"COMMITMENT TERMINATION DATE" means the earlier of (a) the Revolving Loan Termination Date, and (b) the date of termination in whole of the Aggregate Commitment pursuant to SECTION 2.12 hereof or the Revolving Loan Commitments pursuant to ARTICLE VIII hereof (other than pursuant to SECTION 2.1.3).

"CONDEMNATION" has the meaning specified in SECTION 7.8.

"CONSENT DATE" is defined in SECTION 2.1.2.

"CONSOLIDATED FIXED CHARGES" for any period means, on a consolidated basis for the Borrower and all of its Subsidiaries for such period, the sum of (a) Consolidated Interest Expense (net of consolidated interest income) and (b) all payments of Consolidated Rentals by the Borrower or any of its Subsidiaries, all as determined in accordance with Agreement Accounting Principles.

"CONSOLIDATED INTEREST EXPENSE" means, for any period, the aggregate amount of interest, including payments in the nature of interest under Capitalized Lease Obligations and the discount or implied interest component of Off-Balance Sheet Liabilities (but exclusive of payments in the nature of interest with respect to the Borrower's Liquid Yield Option(TM) Notes due 2021 (Zero Coupon - Subordinated) issued by the Borrower on February 13, 2001), paid in cash by the Borrower and its Subsidiaries on a consolidated basis in accordance with Agreement Accounting Principles.

"CONSOLIDATED NET INCOME" means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries for such period determined in accordance with Agreement Accounting Principles; PROVIDED, that there shall be excluded from such amount (i) the income (or loss) of any Affiliate of the Borrower or other Person (other than a Subsidiary of the Borrower) in which any Person (other than the Borrower or any of its Subsidiaries) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or any of its Subsidiaries by such Affiliate or other Person during such period and (ii) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries or that Person's assets are acquired by the Borrower or any of its Subsidiaries.

"CONSOLIDATED NET WORTH" means, as of the date of any determination thereof, the consolidated shareholders' equity of the Borrower and its Subsidiaries determined in accordance with Agreement Accounting Principles.

"CONSOLIDATED RENTALS" means, for any period, the aggregate rental amounts payable by the Borrower and its Subsidiaries for such period under any lease of Property having an original term (including any required renewals or any renewals at the option of the lessor or lessee) of one year or more (but does not include any amounts payable under Capitalized Leases), determined in accordance with Agreement Accounting Principles; PROVIDED, HOWEVER, that there shall be excluded from such calculation rentals in respect of discontinued operations and other store closings reflected in the Borrower's consolidated financial statements (or the footnotes thereto) to the extent such rentals relate to operations for which a charge has been taken and/or reserve established in accordance with Agreement Accounting Principles and which do not exceed the amount of such charge and/or reserve, the amount of which charge and/or reserve has been established consistent with Agreement Accounting Principles.

"CONSOLIDATED TOTAL ASSETS" means, as of the date of any determination thereof, the total assets of the Borrower and its Subsidiaries on a consolidated basis determined in accordance with Agreement Accounting Principles.

"CONTINGENT OBLIGATION" of a Person means any agreement, written undertaking or contractual arrangement by which such Person assumes, guarantees, endorses, contingently

agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the financial or monetary obligation or financial or monetary liability of any other Person (excluding customary indemnification obligations arising from a purchase and sale agreement negotiated at arm's length and typical for transactions of a similar nature), or agrees in writing to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person in writing against loss, including, without limitation, any operating agreement, take-or-pay contract or application for or reimbursement agreement with respect to a letter of credit. "CONTROLLED GROUP" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"CONVERSION DATE" is defined in SECTION 2.1.3.

"CONVERSION/CONTINUATION NOTICE" has the meaning specified in SECTION 2.7.

"CONVERTED LOAN TERMINATION DATE" means the date that is one year after the Conversion Date (or, if such date is not a Business Day, on the immediately preceding Business Day).

"CREDIT RATINGS" has the meaning specified in SECTION 2.21.

"DEFAULT" means an event described in ARTICLE VII.

"DESIGNATED LENDER" means, with respect to each Designating Lender, each Eligible Designee designated by such Designating Lender pursuant to SECTION 12.4(a).

"DESIGNATING LENDER" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to such SECTION 12.4(a).

"DISQUALIFIED STOCK" means, for any Person, any capital stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the Termination Date.

"DOLLARS" and "\$" mean the lawful money of the United States.

"EBITDAR" for any period means the sum, without duplication, of (a) Consolidated Net Income during such period, PLUS (to the extent deducted in determining Consolidated Net Income) (b) all provisions for any foreign, federal, state and local taxes paid or accrued by the Borrower or any of its Subsidiaries during such period, PLUS (to the extent deducted in determining Consolidated Net Income) (c) Consolidated Interest Expense of the Borrower or any of its Subsidiaries during such period, MINUS (to the extent included in determining Consolidated Net Income) (d) extraordinary gains (and any unusual gains whether

or not arising in the ordinary course of business not included in extraordinary gains) to the extent not included in income from continuing operations, PLUS (to the extent deducted in determining Consolidated Net Income) (e) consolidated depreciation, PLUS (to the extent deducted in determining Consolidated Net Income) (f) consolidated amortization expense, including without limitation, amortization of goodwill and other intangible assets and other non-cash charges but excluding reserves, PLUS (to the extent deducted in determining Consolidated Net Income) (g) Consolidated Rentals, PLUS (to the extent deducted in determining Consolidated Net Income) (h) extraordinary losses; all of such items as determined in accordance with Agreement Accounting Principles.

"ELIGIBLE DESIGNEE" means a special purpose corporation, partnership, limited partnership or limited liability company that is administered or sponsored by a Lender or an Affiliate of a Lender and (i) is organized under the laws of the United States or any state thereof, (ii) is engaged primarily in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"ELIGIBLE PARTICIPANT" means (i) a Lender or any Affiliate thereof which is a commercial bank, (ii) any other commercial bank having capital and surplus in excess of \$100,000,000 or (iii) an Eligible Designee.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to federal, state and local laws or regulations relating to or addressing pollution or protection of the environment, or protection of worker health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ss. 9601 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. ss. 651 et seq., and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. ss. 6901 et seq., in each case including any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder, and any state or local equivalent thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"EURODOLLAR ADVANCE" means a Syndicated Advance denominated in Dollars that bears interest at a Eurodollar Rate.

"EURODOLLAR APPLICABLE MARGIN" means, from time to time, the Eurodollar Applicable Margin set forth in SECTION 2.21.

"EURODOLLAR BASE RATE" means, with respect to a Eurodollar Advance for the relevant Eurodollar Interest Period, or with respect to a Bid Rate Advance priced based on the Eurodollar Base Rate for the applicable Bid Rate Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in Dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, PROVIDED that, (i) if Reuters Screen FRBD is not available to the Administrative Agent for any reason, the applicable Eurodollar Base Rate for the

relevant Eurodollar Interest Period or Bid Rate Interest Period, as applicable, shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in Dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, and (ii) if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Eurodollar Interest Period or Bid Rate Interest Period, as applicable, shall instead be the rate determined by the Administrative Agent to be the rate at which Bank One or one of its affiliate banks offers to place deposits in Dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Eurodollar Interest Period or Bid Rate Interest Period, in the approximate amount of Bank One's relevant Eurodollar Advance or Bid Rate Advance, as applicable, and having a maturity equal to such Eurodollar Interest Period or Bid Rate Interest Period, as applicable.

"EURODOLLAR INTEREST PERIOD" means, with respect to a Eurodollar Advance, a period of one, two, three, six or, if available, twelve months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Eurodollar Interest Period shall end on (but exclude) the day which corresponds numerically to such date one, two, three, six or twelve months thereafter, unless there is no such numerically corresponding day in such next, second, third, sixth or twelfth succeeding month, in which case such Eurodollar Interest Period shall end on the last Business Day of such next, second, third, sixth or twelfth succeeding month. If a Eurodollar Interest Period would otherwise end on a day which is not a Business Day, such Eurodollar Interest Period shall end on the next succeeding Business Day, unless said next succeeding Business Day falls in a new calendar month, in which case such Eurodollar Interest Period shall end on the immediately preceding Business Day.

"EURODOLLAR LOAN" means a Syndicated Loan or Bid Rate Loan denominated in Dollars which bears interest at the Eurodollar Rate.

"EURODOLLAR RATE" means, with respect to a Eurodollar Advance for the relevant Eurodollar Interest Period, the sum of (a) the quotient of (i) the Eurodollar Base Rate applicable to such Eurodollar Interest Period, divided by (ii) one minus the Reserves (expressed as a decimal) applicable to such Eurodollar Interest Period, PLUS (b) the Eurodollar Applicable Margin in effect from time to time during such Eurodollar Interest Period. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"EXISTING CREDIT AGREEMENTS" means, collectively, (i) that certain Credit Agreement dated as of September 18, 1997 among the Borrower, the financial institutions named therein, Bank One, NA (f/k/a The First National Bank of Chicago), as administrative agent, and the other agents and co-agents thereunder, as amended by that certain Amendment and Waiver No. 1 dated as of December 17, 1997 and Amendment No. 2 dated as of June 23, 2000, and (ii) that certain 364-Day Credit Agreement dated as of July 6, 2001 among the Borrower, the financial institutions named therein, Bank One, as administrative agent, BNY, as syndication agent, and Fleet, as documentation agent.

"FACILITY GUARANTY" means a guaranty, substantially in the form of EXHIBIT I hereto, duly executed and delivered by one or more Material Subsidiaries of the Borrower to and in favor of the Administrative Agent for the benefit of itself and the Lenders, as the same may from time to time be amended, restated, supplemented or otherwise modified.

"FAIR VALUE" means the value of the relevant asset determined in an arm's-length transaction conducted in good faith between an informed and willing buyer and an informed and willing seller under no compulsion to buy or sell.

"FEDERAL FUNDS EFFECTIVE RATE" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"FEE LETTER" means that certain fee letter dated as of February 15, 2002 among the Borrower, the Syndication Agents and the Arrangers, as amended, restated, supplemented or otherwise modified from time to time.

"5-YEAR CREDIT AGREEMENT" means that certain 5-Year Credit Agreement dated as of March 26, 2002 among the Borrower, the financial institutions named therein, Bank One, as the administrative agent thereunder, Fleet and BNY, as the syndication agents thereunder, and Bank of America, N.A. and JPMorgan Chase Bank, as the documentation agents thereunder, as the same may be further amended, restated, supplemented or otherwise modified and as in effect from time to time.

"FIXED CHARGE COVERAGE RATIO" means the ratio of (a) EBITDAR to (b) Consolidated Fixed Charges.

"FLEET" means Fleet National Bank, in its individual capacity, and its successors.

"FLOATING RATE" means, for any day, a rate per annum equal to the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes.

"FLOATING RATE ADVANCE" means a Syndicated Advance denominated in Dollars which bears interest at the Floating Rate.

"FLOATING RATE LOAN" means a Syndicated Loan denominated in Dollars which bears interest at the Floating Rate.

"FUNDED DEBT" of any Person means, without duplication, all obligations of such Person for money borrowed which in accordance with Agreement Accounting Principles shall be classified upon a balance sheet of such Person as liabilities of such Person, and in any event shall include (a) all Capitalized Lease Obligations of such Person and (b) all Contingent Obligations of such Person with respect to money borrowed, but shall exclude (i) notes, bills and checks

presented in the ordinary course of business by such Person to banks for collection or deposit, (ii) with reference to the Borrower and its Subsidiaries, all obligations of the Borrower and its Subsidiaries of the character referred to in this definition to the extent owing to the Borrower or any Subsidiary, (iii) bankers acceptances which, in accordance with Agreement Accounting Principles, are classified as accounts payable and (iv) Contingent Obligations set forth on SCHEDULE 6.14. Without in any way limiting the foregoing, Funded Debt of the Borrower shall include all Loans outstanding under this Agreement and all "Loans" outstanding under and as defined in the 5-Year Agreement.

"GOVERNMENTAL AUTHORITY" means any country or nation, any political subdivision of such country or nation, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government of any country or nation or political subdivision thereof.

"GROSS NEGLIGENCE" means either recklessness or actions taken or omitted with conscious indifference to or the complete disregard of consequences. Gross Negligence does not mean the absence of ordinary care or diligence, or an inadvertent act or inadvertent failure to act. If the term "gross negligence" is used with respect to the Administrative Agent or any Lender or any indemnitee in any of the Loan Documents, it shall have the meaning set forth herein.

"INDEBTEDNESS" of a Person means, without duplication, such Person's (a) obligations for borrowed money, (b) obligations representing the deferred purchase price of Property or services (other than (i) accounts payable and (ii) bankers acceptances classified in accordance with Agreement Accounting Principles as accounts payable, in each case arising in the ordinary course of such Person's business payable on terms customary in the trade), (c) obligations, whether or not assumed, secured by liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (d) obligations which are evidenced by notes, acceptances (to the extent not classified as accounts payable in accordance with Agreement Accounting Principles), or other similar instruments, (e) Capitalized Lease Obligations, (f) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, (g) all Off-Balance Sheet Liabilities of such Person, (h) all Disqualified Stock and (i) any other obligation in writing for borrowed money or financial accommodation with respect to other items included in the definition of Indebtedness above which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person, but excluding, in any event, (i) amounts payable by such Person in respect of covenants not to compete, and (ii) with reference to the Borrower and its Subsidiaries, all obligations of the Borrower and its Subsidiaries of the character referred to in this definition to the extent owing to the Borrower or any Subsidiary of the Borrower.

"INDEMNIFIED MATTERS" has the meaning specified in SECTION 9.7(b).

"INDEMNITEES" has the meaning specified in SECTION 9.7(b).

"INDEXED RATE AUCTION" has the meaning specified in SECTION 2.10(b)(i).

"INTELLECTUAL PROPERTY" means (i) any and all intangible personal property consisting of intellectual property, whether or not registered with any governmental entity, including, without limitation, franchises, licenses, patents, technology and know-how, copyrights, trademarks, trade secrets, service marks, logos and trade names and (ii) any and all contract rights (including, without limitation, applications for governmental registrations, license agreements, trust agreements and assignment agreements) creating, evidencing or conveying an interest or right in or to any of the intellectual property described in the preceding CLAUSE (i).

"INTEREST PERIOD" means a Eurodollar Interest Period.

"INVESTMENT" of a Person means any loan, advance (other than commission, travel and other loans, credits and advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade), deposit account or contribution of capital by such Person to any other Person or any investment in, or purchase or other acquisition of, the stock, partnership interests, ownership interests in any limited liability company, notes, debentures or other securities of any other Person made by such Person (other than anticipatory prepayments to vendors in the ordinary course of business consistent with past practice).

"LENDERS" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"LENDING INSTALLATION" means, with respect to a Lender, any office, branch, subsidiary or affiliate of such Lender.

"LEVERAGE RATIO" means, with respect to the last day of any fiscal quarter, the ratio of:

(i) the sum of (a) Funded Debt of the Borrower and its Subsidiaries on a consolidated basis, PLUS (b) an amount equal to the product of four (4) multiplied by Consolidated Rentals for the period of four consecutive fiscal quarters ending on such day to

(ii) the sum of (a) Funded Debt of the Borrower and its Subsidiaries on a consolidated basis, plus (b) an amount equal to the product of four (4) multiplied by Consolidated Rentals for the period of four consecutive fiscal quarters ending on such day plus (c) Consolidated Net Worth.

"LIEN" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"LOAN" means a Syndicated Loan (including as converted pursuant to SECTION 2.1.3) or a Bid Rate Loan.

"LOAN DOCUMENTS" means this Agreement, any Notes, the Facility Guaranties and all other documents, instruments and agreements executed in connection therewith or contemplated thereby, as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on (a) the business, financial condition, operations, performance or Property of the Borrower and its Subsidiaries on a consolidated basis, (b) the ability of the Borrower to perform its obligations under the Loan Documents, or (c) the validity or enforceability of any of the Loan Documents or any material rights or remedies of the Administrative Agent or the Lenders thereunder.

"MATERIAL INDEBTEDNESS" means any Indebtedness, or group of different Indebtedness, in an aggregate principal amount of at least \$20,000,000.

"MATERIAL SUBSIDIARY" means (a) T.J. Maxx of CA, LLC, a Delaware limited liability company, T.J. Maxx of IL, LLC, a Delaware limited liability company, Marshalls of CA, LLC, a Delaware limited liability company, Marshalls of IL, LLC, a Delaware limited liability company, Marmaxx Operating Corp., a Delaware corporation, Marshalls of MA, Inc., a Massachusetts corporation, NBC Fourth Realty Corp., a Nevada corporation, Marshall's of Nevada, Inc., a Nevada corporation, NBC Operating, LLC, a Delaware limited liability company, NBC Trust, a Massachusetts business trust, Marshalls of Richfield, MN, Inc., a Minnesota corporation, and Newton Buying Company of CA, Inc., a Delaware corporation; (b) any domestic Subsidiary of the Borrower which owns, directly or indirectly, greater than ten percent (10%) of the total consolidated assets of the Borrower and its Subsidiaries; and (c) any other domestic Subsidiary in connection with which the Borrower shall provide written notice to the Agent designating such entity to be a Material Subsidiary and which shall become a party to the Facility Guaranty pursuant to the terms of SECTION 6.20.

"MOODY'S" means Moody's Investors Service, Inc.

"MULTIEMPLOYER PLAN" means a Plan, if any, maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one non-Affiliated employer is obligated to make contributions.

"NOTE" means a Syndicated Note or a Bid Rate Note.

"NOTICE OF ASSIGNMENT" has the meaning specified in SECTION 12.3.2.

"NOTICE TO CONVERT" has the meaning specified in SECTION 2.1.3.

"OBLIGATIONS" means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to the Lenders or to any Lender, the Administrative Agent or any indemnified party hereunder arising under the Loan Documents.

"OFF-BALANCE SHEET LIABILITY" of a Person means (i) any repurchase obligation or liability of such Person or any of its Subsidiaries with respect to accounts or notes receivable

sold by such Person or any of its Subsidiaries (calculated to include the unrecovered investment of purchasers or transferees of accounts or any other obligation of such Person or such transferor to purchasers/transferees of interests in accounts or notes receivable or the agent for such purchasers/transferees), (ii) any liability under any sale and leaseback transaction which is not a Capitalized Lease, (iii) any liability under any financing lease or Synthetic Lease or "tax ownership operating lease" transaction entered into by such Person, including any Synthetic Lease Obligations, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding from this CLAUSE (IV) Operating Leases.

"OPERATING LEASE" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee.

"PARTICIPANT" has the meaning specified in SECTION 12.2.1.

"PAYMENT OFFICE" means the principal office of the Administrative Agent in Chicago, Illinois, located on the date hereof at 1 Bank One Plaza, Chicago, Illinois 60670 or such other office of the Administrative Agent as the Administrative Agent may from time to time designate by written notice to the Borrower and the Lenders.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"PERMITTED ACQUISITION" means any Acquisition made by the Borrower or any of its Subsidiaries, PROVIDED that upon giving effect to each such Acquisition (a) the Person so acquired by the Borrower shall have either been merged into the Borrower or a Subsidiary (with the Borrower or the Subsidiary as the surviving entity) or such Person shall have become a Subsidiary of the Borrower; (b) no Default or Unmatured Default shall exist; (c) the Acquisition is consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired; and (d) involves the purchase of a business line similar, related, complementary or incidental to that of the Borrower and its Subsidiaries as of the date of this Agreement.

"PERSON" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"PLAN" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"PREPAYMENT NOTICE" has the meaning specified in SECTION 2.5.

"PRIME RATE" means the per annum rate announced by the Administrative Agent (or its parent) from time to time as its "prime rate" (it being acknowledged that such announced rate may not necessarily be the lowest rate charged by the Administrative Agent to any of its

customers), which prime rate shall change simultaneously with any change in such announced rate.

"PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (A) such Lender's Commitment at such time (as adjusted from time to time in accordance with the provisions of this Agreement) by (B) the Aggregate Commitment at such time; PROVIDED, that if the Commitments are terminated pursuant to the terms of this Agreement, then "Pro Rata Share" means the percentage obtained by dividing (x) the sum of each Lender's Syndicated Loans by (y) the aggregate amount of all Syndicated Loans; PROVIDED, HOWEVER, if the Aggregate Commitment has been terminated at a time when only Bid Rate Loans are outstanding, "Pro Rata Share" means the percentage obtained by dividing (x) the sum of each Lender's Bid Rate Loans by (y) the aggregate amount of all Bid Rate Loans.

"PROPERTY" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"PURCHASERS" has the meaning specified in SECTION 12.3.1.

"RATED DEBT" means the Borrower's senior unsecured non-credit-enhanced long-term Indebtedness, which Indebtedness does not benefit from guaranties or other credit enhancement provided by any of the Borrower's Subsidiaries.

"REGULATION D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"REGULATION T" means Regulation T of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by and to brokers and dealers of securities for the purpose of purchasing or carrying margin stocks.

"REGULATION U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"REGULATION X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"REPORTABLE EVENT" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; PROVIDED, HOWEVER, that

a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"REQUIRED LENDERS" means Lenders having, in the aggregate, at least 51% of the Aggregate Commitment; PROVIDED, HOWEVER, that in the event any of the Lenders shall have failed to fund a portion of any Syndicated Advance requested by the Borrower which such Lenders are obligated to fund under the terms of this Agreement and any such failure has not been cured, then for so long as such failure continues, "REQUIRED LENDERS" means Lenders (excluding all such defaulting Lenders) having, in the aggregate, at least 51% of the aggregate Commitments of such non-defaulting Lenders; PROVIDED, FURTHER, HOWEVER, that, if the Aggregate Commitment has been terminated pursuant to the terms of this Agreement (including as a result of conversion of the Loans to term loans pursuant to SECTION 2.1.3), "REQUIRED LENDERS" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate outstanding principal balance of all Syndicated Loans is equal to or greater than 51%; PROVIDED, FURTHER, HOWEVER, if the Aggregate Commitment has been terminated at a time when only Bid Rate Loans are outstanding, "Required Lenders" means Lenders whose aggregate outstanding principal balance of all Bid Rate Loans is equal to or greater than 51%.

"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or permit or environmental, labor, employment, occupational safety or health law, rule or regulation, including Environmental, Health or Safety Requirements of Law.

"RESERVES" means, with respect to a Eurodollar Interest Period, the maximum aggregate reserves (including all basic, supplemental, marginal and other reserves) imposed under Regulation D on Eurocurrency liabilities.

"REVOLVING LOAN TERMINATION DATE" means March 24, 2003, or any subsequent date to which the Revolving Loan Termination Date has been extended pursuant to the terms of SECTION 2.1.2.

"RISK-BASED CAPITAL GUIDELINES" has the meaning specified in SECTION 3.2.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc.

"SALE AND LEASEBACK TRANSACTION" means any sale or other transfer of Property by any Person with intent to lease such Property as lessee pursuant to a Capitalized Lease.

"SECTION" means a numbered section of this Agreement, unless another document is specifically referenced.

"SINGLE EMPLOYER PLAN" means a Plan, if any, maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group. The term "Single Employer Plan" does not include any Multiemployer Plan.

"SPECIFIED REMITTANCE TIME" means (a) if the relevant Payment Office is located in Chicago, Illinois, 1:00 p.m. (Chicago time) and (b) if the relevant Payment Office is located elsewhere, such time as the Administrative Agent shall specify after consultation with the Lenders and the consent of the Borrower, which consent shall not be unreasonably withheld.

"SUBSIDIARY" of a Person means (a) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"SUBSTANTIAL PORTION" means, with respect to the Property of any Person and its Subsidiaries, Property which:

(a) when aggregated with all other Property in accordance with SECTION 6.11 (i) represents more than 15% of the consolidated assets of such Person and its Subsidiaries as would be shown in the consolidated financial statements of such Person and its Subsidiaries as at the beginning of the fiscal year in which such determination is made, or (ii) is responsible for more than 15% of the consolidated net sales of such Person and its Subsidiaries as reflected in the financial statements referred to in CLAUSE (i) above; or

(b) in any individual transaction or series of related transactions (i) represents more than 10% of the consolidated assets of such Person and its Subsidiaries as would be shown in the consolidated financial statements of such Person and its Subsidiaries as at the beginning of the fiscal year in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales of such Person and its Subsidiaries as reflected in the financial statements referred to in CLAUSE (i) above.

"SYNDICATED ADVANCE" means a borrowing consisting of simultaneous Syndicated Loans of the same Type made to the Borrower by each of the Lenders pursuant to SECTION 2.1, and, in the case of Eurodollar Advances, for the same Interest Period.

"SYNDICATED ADVANCE BORROWING NOTICE" has the meaning specified in SECTION 2.6.

"SYNDICATED LOAN" means a loan by a Lender to the Borrower as part of a Syndicated Advance.

"SYNDICATED NOTE" means a promissory note of the Borrower payable to the order of any Lender, in substantially the form of EXHIBIT A-1 hereto, evidencing the aggregate indebtedness of the Borrower to such Lender resulting from the Syndicated Loans made by such Lender to the Borrower.

"SYNDICATION AGENTS" means, collectively, Fleet and BNY, and their respective successors and assigns.

"SYNTHETIC LEASE" means a so-called "synthetic" lease that is not treated as a capital lease under Agreement Accounting Principles, but that is treated as a financing under the Code.

"SYNTHETIC LEASE OBLIGATIONS" means, collectively, the payment obligations of the Borrower or any of its Subsidiaries pursuant to a Synthetic Lease.

"TERMINATION DATE" means the Commitment Termination Date, or if the Borrower shall have converted the Advances hereunder to a term loan pursuant to SECTION 2.1.3, the Converted Loan Termination Date.

"TRANSFeree" has the meaning specified in SECTION 12.5.

"TYPE" means, (a) with respect to any Syndicated Loan, its nature as a Floating Rate Loan or a Eurodollar Loan and (b) with respect to any Syndicated Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"UNFUNDED LIABILITIES" means the amount (if any) by which the present actuarial value of all vested nonforfeitable benefits under all Single Employer Plans (based on the actuarial assumptions for each such plan) exceeds the Fair Value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans.

"UNITED STATES" and "U.S." mean the United States of America.

"UNMATURED DEFAULT" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"WHOLLY-OWNED SUBSIDIARY" of a Person means (a) any Subsidiary all of the outstanding voting securities of which (other than directors qualifying shares and shares required by applicable corporate law to be owned by foreign nationals) shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (b) any partnership, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which (other than directors qualifying shares and shares required by applicable corporate law to be owned by foreign nationals) shall at the time be so owned or controlled.

ARTICLE II
THE CREDITS

2.1 THE SYNDICATED LOANS; EXTENSION OF REVOLVING LOAN TERMINATION DATE;
CONVERSION TO TERM LOAN.

2.1.1 THE SYNDICATED LOANS. From and including the date of this Agreement and prior to the earlier of the Conversion Date and the Commitment Termination Date, each Lender severally agrees, on the terms and conditions set forth in this Agreement (including, without limitation, the terms and conditions of SECTION 2.11 and SECTION 8.1 relating to the reduction, suspension or termination of the Aggregate Commitment), to make Syndicated Loans to the Borrower from time to time in an aggregate amount not to exceed at any one time outstanding the amount of such Lender's Commitment; PROVIDED, HOWEVER, that the Aggregate Commitment shall be deemed used from time to time to the extent of the aggregate amount of the Bid Rate Loans then outstanding, and such deemed use of the Aggregate Commitment shall be applied to the Lenders ratably according to their respective Commitments (such deemed use of the aggregate amount of the Commitments being a "BID RATE REDUCTION"). Subject to the terms of this Agreement (including, without limitation, the terms and conditions of SECTIONS 2.1, SECTION 2.11 and SECTION 8.1 relating to the reduction, suspension or termination of the Aggregate Commitment), the Borrower may borrow, repay and reborrow Syndicated Loans at any time prior to the earlier of the Conversion Date and the Commitment Termination Date. Unless earlier terminated in accordance with the terms and conditions of this Agreement, the Commitments of the Lenders to lend hereunder shall expire on the Commitment Termination Date.

2.1.2 EXTENSION OF REVOLVING LOAN TERMINATION DATE. The Commitments shall expire on the earlier of the Conversion Date and the Commitment Termination Date. Within the period beginning 59 days and ending 30 days before the then effective Revolving Loan Termination Date, the Borrower may request in writing to the Administrative Agent and the Syndication Agents that the Revolving Loan Termination Date be extended for an additional period of 364 days, including the then effective Revolving Loan Termination Date as one of the days in the calculation of days elapsed, which request shall expressly state the new Revolving Loan Termination Date and shall constitute a representation and warranty by the Borrower that the conditions contained in SECTION 4.2 have been satisfied as of the date of such request and as of the then effective Revolving Loan Termination Date. Within 20 days after such request (such 20th day being the "CONSENT DATE"), each Lender may, in its sole discretion, agree to such extension to a new Revolving Loan Termination Date not more than 364 days following such Consent Date by giving written notice of such agreement to the Borrower, the Administrative Agent and the Syndication Agents (and the failure to provide such notice shall be deemed to be a decision not to extend). The Commitment of each Lender that declines to extend the then effective Revolving Loan Termination Date may, at the option of the Borrower, be replaced in accordance with SECTION 12.3 (but only to the extent a replacement Lender is then available), or the Aggregate Commitment shall be reduced. All Obligations due to each Lender that declines to extend its Commitment under this SECTION 2.1.2 shall be paid in full to the Administrative Agent for the account of each such Lender on the then effective Revolving Loan Termination Date (without giving effect to any such requested extension thereto). The Required Lenders and

the Borrower must agree to any extension with respect to the Revolving Loan Termination Date for any such extension to become effective.

2.1.3 CONVERSION TO TERM LOAN. From and after the Closing Date up until and including the Commitment Termination Date, at the Borrower's option upon written notice (a "NOTICE TO CONVERT") to the Administrative Agent (who shall promptly notify each of the Lenders), the Borrower may convert the then outstanding aggregate principal amount of the Syndicated Loans hereunder to a term loan. The Notice to Convert shall expressly state the date on which such conversion shall occur (such date being the "CONVERSION DATE") and shall be irrevocable once given and shall constitute a representation and warranty by the Borrower that the conditions contained in SECTION 4.2 have been satisfied as of the date of such Notice to Convert and as of the Conversion Date. Upon delivery of such Notice to Convert, (i) the Borrower's option to request extensions of the Revolving Loan Termination Date under SECTION 2.1.2 above and to borrow and reborrow Syndicated Loans and Bid Rate Loans shall terminate, (ii) the Aggregate Commitment shall be reduced to zero, and (iii) the outstanding principal balance of all Syndicated Loans hereunder shall be due and payable on the Converted Loan Termination Date. All references in this Agreement to Revolving Credit Loans, Syndicated Loans or Loans or Syndicated Advances shall include such Loans or Advances as converted hereunder.

2.2 REPAYMENT OF THE SYNDICATED LOANS. Any outstanding Syndicated Loans shall be paid in full by the Borrower on the Termination Date; PROVIDED, HOWEVER, that nothing in this SECTION 2.2 shall be construed as limiting or modifying the obligation of the Borrower to repay any or all of the outstanding Syndicated Loans at any earlier time in accordance with the terms of this Agreement.

2.3 RATABLE LOANS; TYPES OF SYNDICATED ADVANCES. Each Syndicated Advance hereunder shall consist of Syndicated Loans made from the several Lenders ratably in proportion to their respective Pro Rata Shares of the Aggregate Commitment. Any Syndicated Advance may be a Floating Rate Advance or a Eurodollar Advance, as the Borrower shall select in accordance with SECTIONS 2.6 and 2.7.

2.4 MINIMUM AMOUNT OF EACH SYNDICATED ADVANCE. Each Eurodollar Advance shall be in the minimum amount of \$15,000,000 (and an integral multiple of \$5,000,000 if in excess thereof) and each Floating Rate Advance shall be in the minimum amount of \$10,000,000 (and an integral multiple of \$1,000,000 if in excess thereof); PROVIDED, HOWEVER, that any Syndicated Advance may be in the amount of the unused Aggregate Commitment.

2.5 OPTIONAL PREPAYMENTS OF SYNDICATED LOANS. Subject to SECTION 3.4 and the requirements of SECTION 2.4, the Borrower may (a) following notice given to the Administrative Agent by the Borrower, in the form attached hereto as EXHIBIT G (a "PREPAYMENT NOTICE") by not later than 1:00 p.m. (Chicago time) on the date of the proposed prepayment, such notice specifying the aggregate principal amount of and the proposed date of the prepayment, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Floating Rate Loans comprising part of the same Syndicated Advance in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid and (b) following a Prepayment Notice given to the Administrative Agent by the Borrower by not later

than 1:00 p.m. (Chicago time) on, if the Advance to be prepaid is a Eurodollar Advance, the third Business Day preceding the date of the proposed prepayment, such notice specifying the Advance to be prepaid and the proposed date of the prepayment, and, if such notice is given, such Borrower shall, prepay the outstanding principal amounts of the Eurodollar Loans comprising a Eurodollar Advance in whole (and not in part), together with accrued interest to the date of such prepayment on the principal amount prepaid. In the case of a Floating Rate Advance, each partial prepayment shall be in an aggregate principal amount not less than \$10,000,000 (and an integral multiple of \$1,000,000 if in excess thereof).

2.6 METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR NEW SYNDICATED ADVANCES. The Borrower shall select the Type of each Syndicated Advance and, in the case of a Eurodollar Advance, the Interest Period applicable to such Syndicated Advance from time to time. The Borrower shall give the Administrative Agent irrevocable notice, in the form attached hereto as EXHIBIT F-1 (a "SYNDICATED ADVANCE BORROWING NOTICE"), not later than 11:00 a.m. (Chicago time) (i) on the Borrowing Date for each Floating Rate Advance and (ii) at least three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

- (a) the Borrowing Date, which shall be a Business Day, of such Advance,
- (b) the aggregate amount of such Advance,
- (c) the Type of such Advance, and
- (d) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than the Specified Remittance Time on each Borrowing Date, each Lender shall make available its Syndicated Loan or Syndicated Loans to the Administrative Agent in immediately available funds at the relevant Payment Office. To the extent that the Administrative Agent has received funds from the Lenders as specified in the preceding sentence and the applicable conditions set forth in ARTICLE IV have been fulfilled, the Administrative Agent will make such funds available to the Borrower at the relevant Payment Office promptly following the Specified Remittance Time, it being understood that if the relevant Payment Office is located in Chicago, Illinois, the Administrative Agent will make the applicable funds available to the Borrower by depositing such funds to such account with Bank One as the Borrower shall designate.

2.7 CONVERSION AND CONTINUATION OF OUTSTANDING SYNDICATED ADVANCES. Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances or prepaid pursuant to SECTION 2.5. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice requesting that, at the end of such Interest Period, such Eurodollar Advance either continue as a Eurodollar Advance for the same or another Interest Period or be converted into a Syndicated Advance of another Type. Subject to the terms of SECTION 2.6, the Borrower may elect from time to time to convert all or any part of a Syndicated Advance of any Type into any other Type or Types of Syndicated Advances; PROVIDED that any

conversion of any Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. The Borrower shall give the Administrative Agent irrevocable notice in the form of EXHIBIT H hereto (a "CONVERSION/CONTINUATION NOTICE") of each conversion of an Advance or continuation of a Eurodollar Advance not later than 11:00 a.m. (Chicago time) (i) in the case of a conversion into a Floating Rate Advance on the date of such conversion and (ii) in the case of a conversion into or continuation of a Eurodollar Advance, at least three Business Days before the date of such conversion or continuation, specifying:

- (a) the requested date, which shall be a Business Day, of such conversion or continuation;
- (b) the aggregate amount and Type of the Syndicated Advance which is to be converted or continued; and
- (c) the amount and Type(s) of Syndicated Advance(s) into which such Advance is to be converted or continued and, in the case of a conversion into or continuation of a Eurodollar Advance, the duration of the Interest Period applicable thereto.

2.8 PAYMENT OF INTEREST ON SYNDICATED ADVANCES; CHANGES IN INTEREST RATE.

(a) Interest accrued on each Floating Rate Advance shall be payable in arrears on the last Business Day of each fiscal quarter, on the Commitment Termination Date, on the Converted Loan Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11 (solely with respect to such reduced amount) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Interest accrued on each Eurodollar Advance shall be payable in arrears on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest on Floating Rate Advances shall be calculated for actual days elapsed on the basis of a 365/366 -day year. Interest on Eurodollar Advances shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day a Syndicated Advance is made but not for the day of any payment on the amount paid if payment is received prior to 1:00 p.m. (local time) at the place of payment. If any payment of principal of or interest on a Syndicated Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

(b) Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is converted from a Eurodollar Advance into a Floating Rate Advance pursuant to SECTION 2.7 to but excluding the date it becomes due or is converted into a Eurodollar Advance pursuant to SECTION 2.7, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on each Syndicated Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the Eurodollar Rate determined as applicable to

such Eurodollar Advance. Prior to the Commitment Termination Date, no Interest Period may end after the earlier of (a) the Revolving Loan Termination Date and (b) the Conversion Date; and, if the Borrower has elected to convert the Advances to a term loan pursuant to SECTION 2.1.3, from and after the Conversion Date, no Interest Period may end after the Converted Loan Termination Date.

2.9 [RESERVED].

2.10 THE BID RATE ADVANCES. (a) Each Lender severally agrees that, on the terms and conditions set forth in this Agreement, the Borrower may request and receive Bid Rate Advances under this SECTION 2.10 from time to time on any Business Day in the manner set forth below during the period from the date hereof until the earlier of the date occurring 30 days prior to the Revolving Loan Termination Date and the Conversion Date in the manner set forth below; PROVIDED, HOWEVER, that, following the making of each Bid Rate Advance, the aggregate amount of the Advances then outstanding shall not exceed the Aggregate Commitment of the Lenders (computed without regard to any Bid Rate Reduction) and the aggregate amount of Bid Rate Advances then outstanding shall not exceed fifty percent (50%) of the Aggregate Commitment of the Lenders (computed without regard to any Bid Rate Reduction). Notwithstanding the application of the Bid Rate Reduction for certain designated purposes hereunder, the Bid Rate Loans made by any Lender shall not reduce such Lender's individual Commitment hereunder and each Lender shall continue to be required to fund its full Pro Rata Share of all Syndicated Advances.

(b) The procedures for the solicitation and acceptance of Bid Rate Loans are set forth below:

(i) The Borrower may request a Bid Rate Advance under this SECTION 2.10(B) by giving the Administrative Agent irrevocable notice, in the form attached hereto as EXHIBIT F-2 (a "BID RATE ADVANCE BORROWING NOTICE"), specifying the date and aggregate amount of the proposed Bid Rate Advance, the applicable Bid Rate Interest Period (which shall be the maturity date for repayment of each Bid Rate Loan to be made as part of such Bid Rate Advance and which shall not be later than the Revolving Loan Termination Date), and any other terms to be applicable to such Bid Rate Advance, not later than 11:00 a.m. (Chicago time) (A) one Business Day prior to the date of the proposed Bid Rate Advance, if the Borrower shall specify in the Bid Rate Advance Borrowing Notice that the rates of interest to be offered by the Lenders shall be absolute rates per annum (such type of solicitation being an "ABSOLUTE RATE AUCTION"), and (B) five Business Days prior to the date of the proposed Bid Rate Advance, if the Borrower shall specify in the Bid Rate Advance Borrowing Notice that the rates of interest to be offered by the Lenders shall be rates per annum at a margin greater than or less than the Eurodollar Base Rate (such type of solicitation being an "INDEXED RATE AUCTION"). The Administrative Agent shall, promptly following its receipt of a Bid Rate Advance Borrowing Notice under this SECTION 2.10(b), notify each Lender of such request by sending such Lender a copy of such Bid Rate Advance Borrowing Notice.

(ii) Each Lender may, if, in its sole discretion, it elects to do so, irrevocably offer to make one or more Bid Rate Loans to the Borrower as part of such proposed Bid

Rate Advance at a rate or rates of interest specified by such Lender in its sole discretion, by notifying the Administrative Agent (which shall give prompt notice thereof to the Borrower), before 10:00 a.m. (Chicago time) (or if such Lender is the Administrative Agent, before 9:45 a.m. (Chicago time)) (A) on the date of such proposed Bid Rate Advance, in the case of an Absolute Rate Auction, and (B) four Business Days before the date of such proposed Bid Rate Advance, in the case of an Indexed Rate Auction of the minimum amount and maximum amount of each Bid Rate Loan which such Lender would be willing to make as part of such proposed Bid Rate Advance (which amounts may, subject to the proviso to the first sentence of SECTION 2.10(a), exceed such Lender's Commitment), the rate or rates of interest therefor and such Lender's Lending Installation with respect to such Bid Rate Loan.

(iii) The Borrower shall, in turn, before (A) 11:00 a.m. (Chicago time) on the date of such proposed Bid Rate Advance, in the case of an Absolute Rate Auction, and (B) 10:00 a.m. (Chicago time) three Business Days before the date of such proposed Bid Rate Advance, in the case of an Indexed Rate Auction for a Bid Rate Advance, either:

(x) cancel such Bid Rate Advance by giving the Administrative Agent notice to that effect, or

(y) accept, subject to SECTION 2.10(d), one or more of the offers made by any Lender or Lenders pursuant to SECTION 2.10(b)(ii) above, in its sole discretion, by giving notice to the Administrative Agent of the amount of each Bid Rate Loan (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, notified to the Borrower by the Administrative Agent on behalf of such Lender for such Bid Rate Loan pursuant to SECTION 2.10(b)(ii)) to be made by each Lender as part of such Bid Rate Advance, and reject any remaining offers made by Lenders pursuant to SECTION 2.10(b)(ii) by giving the Administrative Agent notice to that effect.

(iv) If the Borrower notifies the Administrative Agent that such Bid Rate Advance is canceled pursuant to SECTION 2.10(b)(iii)(x) above, the Administrative Agent shall give prompt notice thereof to the Lenders and such Bid Rate Advance shall not be made.

(v) If the Borrower accepts one or more of the offers made by any Lender or Lenders pursuant to SECTION 2.10(b)(iii)(y) above, the Administrative Agent shall in turn promptly notify (A) each Lender that has made an offer as described in SECTION 2.10(b)(ii) of the date, of the aggregate amount of such Bid Rate Advance and whether or not any offer or offers made by such Lender pursuant to SECTION 2.10(b)(ii) have been accepted by the Borrower and (B) each Lender that is to make a Bid Rate Loan as part of such Bid Rate Advance, of the amount of each Bid Rate Loan to be made by such Lender as part of such Bid Rate Advance. Each Lender that is to make a Bid Rate Loan as part of such Bid Rate Advance shall, not later than the Specified Remittance Time on the date of such Bid Rate Advance specified in the notice received from the Administrative Agent pursuant to CLAUSE (a) of the preceding sentence, make available for the account of its Lending Installation to the Administrative Agent at the relevant Payment Office such

Lender's portion of such Bid Rate Advance, in same day funds. Upon fulfillment of the applicable conditions set forth in ARTICLE IV and after receipt by the Administrative Agent of such funds, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's address specified pursuant to ARTICLE XIII. Promptly after each Bid Rate Advance the Administrative Agent will notify each Lender of the amount of the Bid Rate Advance, the consequent Bid Rate Reduction and the dates upon which such Bid Rate Reduction commenced and will terminate.

(vi) Notwithstanding the other provisions of this SECTION 2.10(b), the Borrower may elect at its own discretion to assume the responsibilities of the Administrative Agent in connection with the solicitation and acceptance of Bid Rate Loans as described in this section. In the event that the Borrower makes the election described in this subsection, all notices to be given by the Borrower to the Administrative Agent pursuant to this SECTION 2.10(b) shall be given by the Borrower directly to the Administrative Agent and the Lenders, all notices to be given by the Administrative Agent to the Lenders pursuant to this SECTION 2.10(b) shall be given by the Borrower to the Lenders, and all notices to be given by the Lenders to the Administrative Agent pursuant to this SECTION 2.10(b) shall be given by the Lenders to the Borrower and the Administrative Agent.

(c) Each Bid Rate Advance shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof, and, following the making of each Bid Rate Advance, the Borrower shall be in compliance with the limitation set forth in the proviso to the first sentence of SECTION 2.10(a).

(d) Each acceptance by the Borrower pursuant to SECTION 2.10(b)(iii)(y) of the offers made in response to a Bid Rate Advance Borrowing Notice shall be treated as an acceptance of such offers in ascending order of the rates or margins, as applicable, at which the same were made but if, as a result thereof, two or more offers at the same such rate or margin would be partially accepted, then the amounts of the Bid Rate Loans in respect of which such offers are accepted shall be treated as being the amounts which bear the same proportion to one another as the respective amounts of the Bid Rate Loans so offered bear to one another but, in each case, rounded as the Administrative Agent (or the Borrower in the event the Borrower runs the bid rate process under CLAUSE (b)(vi) above) may consider necessary to ensure that the amount of each such Bid Rate Loan is \$5,000,000 or an integral multiple thereof.

(e) Within the limits and on the conditions set forth in this SECTION 2.10, the Borrower may from time to time borrow under this SECTION 2.10, repay pursuant to SECTION 2.10(f) below, and reborrow under this SECTION 2.10.

(f) The Borrower shall repay to the Administrative Agent for the account of each Lender which has made a Bid Rate Loan to it, on the earliest of (i) the maturity date of such Bid Rate Loan (such maturity date being the last day of the Bid Rate Interest Period specified by the Borrower for repayment of such Bid Rate Loan in the related Bid Rate Advance Borrowing Notice), (ii) the Conversion Date and (iii) the acceleration of the Obligations pursuant to SECTION 8.1, the then unpaid principal amount of such Bid Rate Loan. The Borrower shall have no right to prepay any principal amount of any Bid Rate Loan unless, and then only on the terms, specified by the Borrower for such Bid Rate Loan in the related Bid Rate Advance Borrowing

Notice and subject to SECTION 3.4. If a Bid Rate Loan has a maturity date which occurs after the Conversion Date, the prepayment of the Bid Rate Loans on the Conversion Date shall be subject to SECTION 3.4.

(g) The Borrower shall pay interest on the unpaid principal amount of each Bid Rate Loan made to it, from the date of such Bid Rate Loan to the date the principal amount of such Bid Rate Loan is repaid in full, at the rate of interest for such Bid Rate Loan specified by the Lender making such Bid Rate Loan in the related notice submitted by such Lender pursuant to SECTION 2.10(b)(ii), payable on the interest payment date or dates specified by the Borrower for such Bid Rate Loan in the related Bid Rate Advance Borrowing Notice and on any date on which such Bid Rate Loan is prepaid, whether by acceleration or otherwise, and at maturity. In the event the term of any Bid Rate Loan shall be longer than three months, interest thereon shall be payable not less frequently than once each three-month period during such term. Interest on Bid Rate Advances shall be calculated for actual days elapsed on the basis of a 360-day year.

2.11 FACILITY FEE; UTILIZATION FEE; ADJUSTMENTS IN AGGREGATE COMMITMENT.

(a) FACILITY FEE. The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee at a rate per annum equal to the Applicable Facility Fee Rate in effect from time to time (i) prior to the Conversion Date, on such Lender's Commitment (determined without giving effect to any Bid Rate Reduction or any other usage of the Commitments), whether used or unused, and (ii) from and after the Conversion Date, the average daily aggregate principal amount of all Loans, payable from the date hereof until the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Such facility fees shall be payable in arrears on the last Business Day of each March, June, September and December, on the Conversion Date, on the Converted Loan Termination Date, on the Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11(c) (solely with respect to such reduced amount) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Facility fees shall be calculated for actual days elapsed on the basis of a 360-day year.

(b) UTILIZATION FEE. For each day from and after each of (i) the date hereof to but not including the Conversion Date on which the Combined Utilized Amount exceeds fifty percent (50%) of the Combined Commitment, and (ii) the Conversion Date, the Borrower agrees to pay to the Administrative Agent, for the ratable account of each Lender, a utilization fee at a rate per annum equal to the Applicable Utilization Fee Rate in effect from time to time on the sum of all Loans (including all Syndicated Loans and Bid Rate Loans), payable from the date hereof until the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Such utilization fees shall be payable in arrears on the last Business Day of each March, June, September and December, on the Conversion Date, on the Converted Loan Termination Date, on the Termination Date, on the date of the reduction of all or any part of the Aggregate Commitment pursuant to SECTION 2.11(c) and on the date on which this Agreement is terminated in full and all of the Obligations hereunder have been paid in full pursuant to SECTION 2.2. Utilization fees shall be calculated for actual days elapsed on the basis of a 360-day year.

(c) REDUCTIONS IN AGGREGATE COMMITMENT. The Borrower may permanently reduce the Aggregate Commitment in whole or in part ratably among the Lenders in a minimum amount of \$15,000,000 and integral multiples of \$2,500,000 in excess thereof, upon at least two Business Days' written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; PROVIDED, HOWEVER, that the amount of the Aggregate Commitment may not be reduced below the aggregate principal amount of the outstanding Advances.

(d) INCREASE OF AGGREGATE COMMITMENT. At any time prior to the Commitment Termination Date the Borrower may, on the terms set forth below, request that the Aggregate Commitment hereunder be increased; PROVIDED, that (i) the Aggregate Commitment hereunder at no time shall exceed \$350,000,000, (ii) the Combined Commitment at no time shall exceed \$750,000,000, (iii) each such request shall be in a minimum amount of at least \$10,000,000 and in increments of \$5,000,000 in excess thereof, (iv) an increase in the Aggregate Commitment hereunder may only be made at a time when no Default or Unmatured Default shall have occurred and be continuing, (v) each Lender shall be offered a pro rata share of any requested increase prior to the Borrower, the Administrative Agent and the Syndication Agents inviting any additional financial institutions to become a Lender hereunder, and (vi) no Lender's Commitment shall be increased under this SECTION 2.11(d) without its consent. In the event of such a requested increase in the Aggregate Commitment, any financial institution which the Borrower, the Administrative Agent and the Syndication Agents invite to become a Lender or to increase its Commitment may set the amount of its Commitment at a level agreed to by the Borrower, the Administrative Agent and the Syndication Agents. In the event that the Borrower and one or more of the Lenders (or other financial institutions) shall agree upon such an increase in the Aggregate Commitment (i) the Borrower, the Administrative Agent and each Lender or other financial institution increasing its Commitment or extending a new Commitment shall enter into an amendment to this Agreement setting forth the amounts of the Commitments, as so increased, providing that the financial institutions extending new Commitments shall be Lenders for all purposes under this Agreement, and setting forth such additional provisions as the Administrative Agent shall consider reasonably appropriate and (ii) the Borrower shall furnish, if requested, a new Note to each financial institution that is extending a new Commitment or increasing its Commitment. No such amendment shall require the approval or consent of any Lender whose Commitment is not being increased. Upon the execution and delivery of such amendment as provided above, and upon satisfaction of such other conditions as the Administrative Agent may reasonably specify upon the request of the financial institutions that are extending new Commitments (including, without limitation, the Administrative Agent administering the reallocation of any outstanding Loans ratably among the Lenders after giving effect to each such increase in the Aggregate Commitment, and the delivery of certificates, evidence of corporate authority and legal opinions on behalf of the Borrower), this Agreement shall be deemed to be amended accordingly.

2.12 RATES APPLICABLE AFTER DEFAULT. Notwithstanding anything to the contrary contained in SECTION 2.8, during the continuance of a Default or Unmatured Default no Syndicated Advance may be made as, converted into or continued past the end of the applicable Interest Period as a Eurodollar Advance. During the continuance of a Default upon notice given to the Borrower, each Advance shall bear interest until paid in full at a rate per annum equal to the then-applicable rate of interest, as the case may be, plus two percent (2.0%) per annum.

2.13 METHOD OF PAYMENT. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to ARTICLE XIII, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by 1:00 p.m. (local time) on the date when due and shall be remitted by the Administrative Agent to the Lenders according to their respective interests therein. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at its address specified pursuant to ARTICLE XIII or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender. The Administrative Agent is hereby authorized, but is not obligated, to charge the accounts of the Borrower maintained with Bank One into which proceeds of Advances are remitted pursuant to SECTION 2.6 for each payment of interest and fees as it becomes due hereunder, for each payment of principal, in accordance with the applicable Prepayment Notice or when otherwise due and payable in accordance with the terms hereof.

2.14 EVIDENCE OF DEBT (OPTIONAL NOTES); TELEPHONIC NOTICES.

(a) EVIDENCE OF DEBT (OPTIONAL NOTES).

(i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, and, to the extent applicable, the Type thereof and the interest period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (c) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries in the accounts maintained pursuant to CLAUSES (i) and (ii) above shall be prima facie evidence of the existence and amounts of the Obligations therein recorded; PROVIDED, HOWEVER, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by one or more Notes. In such event, the Borrower shall execute and deliver to such Lender the applicable Note or Notes payable to the order of such Lender. Thereafter, the Loans evidenced by any such Note and interest thereon shall at all times (including after any assignment pursuant to SECTION 12.3) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to SECTION 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in CLAUSES (i) and (ii) above.

(b) TELEPHONIC NOTICES. The Borrower hereby authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances and effect selections of Types of Syndicated Advances based on telephonic notices made by any person or persons the Administrative Agent in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent of the relevant telephonic notice shall govern absent manifest error.

2.15 NOTIFICATION OF ADVANCES, INTEREST RATES, PREPAYMENTS AND COMMITMENT REDUCTIONS. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice and Prepayment Notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.16 LENDING INSTALLATIONS. Each Lender may book its Loans at any one or more Lending Installations selected by such Lender and may change any such Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and any Notes requested by such Lender shall be deemed held by such Lender for the benefit of such Lending Installation. Each Lender may, by written or telex notice to the Administrative Agent and the Borrower, designate a Lending Installation through which Loans will be made by it and for whose account Loan payments are to be made.

2.17 NON-RECEIPT OF FUNDS BY THE ADMINISTRATIVE AGENT. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (a) in the case of a Lender, the proceeds of a Loan or (b) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (a) in the case of repayment by a Lender, the Federal Funds Effective Rate for such day or (b) in the case of repayment by the Borrower, the interest rate applicable to the relevant Loan.

2.18 WITHHOLDING TAX EXEMPTION. At least five Business Days prior to the first date on which interest or fees are payable hereunder for the account of any Lender, each Lender that is not incorporated under the laws of the United States of America, or a state thereof, agrees that it will deliver to each of the Borrower and the Administrative Agent two duly completed

copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, or successor applicable form, certifying in either case that such Lender is entitled to receive payments under this Agreement and the Notes (if requested) without deduction or withholding of any United States federal income taxes. Each Lender which so delivers a Form W-8BEN or W-8ECI, or successor applicable form, further undertakes to deliver to each of the Borrower and the Administrative Agent two additional copies of such form (or any successor form or related form as may from time to time be required under applicable law) on or before the date that such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent forms so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent, in each case certifying that such Lender is entitled to receive payments under this Agreement and the Notes (if requested) without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

2.19 TERMINATION. All unpaid Obligations shall be paid in full by the Borrower on the Termination Date; PROVIDED, HOWEVER, that nothing in this SECTION 2.19 shall be construed as limiting or modifying the obligation of the Borrower to repay any or all of the outstanding Obligations at any earlier time in accordance with the terms of this Agreement.

2.20 [RESERVED].

2.21 PRICING. The Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate for any period shall be determined on the basis of the publicly announced ratings ("CREDIT RATINGS") by Moody's and S&P on the Borrower's Rated Debt during such period, in each case in accordance with the table set forth below, to change when and as such Credit Ratings change. For purposes of determining the Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate with respect to any period:

(i) Any change in the Credit Rating shall be deemed to become effective on the date of public announcement thereof and shall remain in effect until the date of public announcement that such Credit Rating shall no longer be in effect. If any change in Credit Rating occurs during an Interest Period, the new Eurodollar Applicable Margin, Applicable Facility Fee Rate and Applicable Utilization Fee Rate shall become effective from the date of the public announcement.

(ii) If, during any period, either Moody's or S&P shall not have a publicly-announced Credit Rating with respect to the Borrower's Rated Debt, the Credit Rating announced by the other rating agency with respect thereto shall be used.

(iii) Except as provided below, in the event that the Credit Ratings publicly announced by Moody's and S&P with respect to the Borrower's Rated Debt appear in

more than one column of the table, the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate will be based on the column which includes the highest rating; PROVIDED, HOWEVER, that if there exists a differential of two or more levels between the Credit Rating publicly announced by Moody's and the Credit Rating publicly announced by S & P, then the Credit Rating which is one level below the higher announced Credit Rating will determine the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate.

(iv) If, during any period, neither Moody's nor S&P shall have publicly announced a Credit Rating with respect to the Borrower's Rated Debt, the Eurodollar Applicable Margin, the Applicable Facility Fee Rate and the Applicable Utilization Fee Rate shall be the margins set forth under the column entitled "No Other Pricing Level Applies."

EURODOLLAR APPLICABLE MARGINS
 APPLICABLE FACILITY FEE RATES
 AND APPLICABLE UTILIZATION FEE RATES
 (IN BASIS POINTS)

CREDIT RATINGS	AT LEAST A FROM S&P OR A2 FROM MOODY'S	AT LEAST A- FROM S&P OR A3 FROM MOODY'S	AT LEAST BBB+ FROM S&P OR Baa1 FROM MOODY'S	AT LEAST BBB FROM S&P OR Baa2 FROM MOODY'S	AT LEAST BBB- FROM S&P OR Baa3 FROM MOODY'S	NO OTHER PRICING LEVEL APPLIES
Eurodollar Applicable Margin	18.5	30.0	40.0	62.5	85.0	100.0
Applicable Facility Fee	6.5	7.5	10.0	12.5	15.0	25.0
Applicable Utilization Fee Rate	12.5	12.5	12.5	12.5	20.0	20.0

ARTICLE III
 CHANGE IN CIRCUMSTANCES

3.1 YIELD PROTECTION. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance by any Lender therewith,

(a) subjects any Lender or any applicable Lending Installation to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding federal taxation of the overall net income of any Lender, franchise taxes and branch profit taxes), or changes the basis of taxation of payments to any Lender or any applicable Lending Installation in respect of its Loans or other amounts due it hereunder, or

(b) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

(c) imposes any other condition, in each case, the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining Loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with Loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Loans held, or interest received by it, by an amount deemed material by such Lender,

then, within 15 days of demand by such Lender, the Borrower shall pay such Lender that portion of such increased expense incurred or reduction in an amount received which such Lender reasonably determines is attributable to making, funding and maintaining its Loans and its Commitment.

3.2 CHANGES IN CAPITAL ADEQUACY REGULATIONS. If a Lender determines that the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change (as defined below in this SECTION 3.2), then, within 15 days of demand by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender reasonably determines is attributable to this Agreement, its Loans or its obligation to make Loans hereunder (after taking into account such Lender's or such controlling corporation's policies as to capital adequacy). "CHANGE" means (a) any change after the date of this Agreement in the Risk-Based Capital Guidelines (as defined below in this SECTION 3.2) or (b) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "RISK-BASED CAPITAL GUIDELINES" means (a) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (b) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement. Each Lender agrees promptly to notify the Borrower and the Administrative Agent of any circumstances that would cause the Borrower to pay additional amounts pursuant to this SECTION 3.2, PROVIDED that, except as set forth in SECTION 3.5(b), the failure to give such notice shall not affect the Borrower's obligation to pay such additional amounts hereunder.

3.3 AVAILABILITY OF TYPES OF SYNDICATED ADVANCES. If any Lender reasonably determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or if the Required Lenders reasonably determine that (a) deposits of a type and maturity

appropriate to match fund Eurodollar Advances are not available or (b) the interest rate applicable to a Type of Syndicated Advance does not accurately reflect the cost of making or maintaining such Advance, then the Administrative Agent shall suspend the availability of the affected Type of Syndicated Advance.

3.4 FUNDING INDEMNIFICATION. If any payment of a Eurodollar Advance or a Bid Rate Advance occurs on a date which is not the last day of the applicable Interest Period in the case of a Eurodollar Advance, or the applicable Bid Rate Interest Period in the case of a Bid Rate Advance, whether because of acceleration, prepayment, conversion or otherwise, or a Eurodollar Advance or a Bid Rate Advance is not made (whether by borrowing, continuation or conversion) on the date specified by the Borrower for any reason other than default by the Lenders, or an optional prepayment, notice of which has been given in accordance with SECTION 2.5 or as may be required by the terms of any Bid Rate Advance Borrowing Notice, is not made on the date specified therefor in such notice, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain the Eurodollar Advance or Bid Rate Advance, as the case may be.

3.5 MITIGATION; LENDER STATEMENTS; SURVIVAL OF INDEMNITY. (a) To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under SECTIONS 3.1 and 3.2 or to avoid the unavailability of a Type of Syndicated Advance under SECTION 3.3, so long as such designation is not disadvantageous to such Lender in its reasonable determination. If the obligation of the Lenders to make Eurodollar Advances has been suspended pursuant to SECTION 3.3 as a consequence of a determination by any Lender that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law or any Lender has demanded compensation under SECTION 3.1 or 3.2, the Borrower may elect (i) subject to SECTION 3.4, to prepay any outstanding Syndicated Advances to the extent necessary to mitigate its liability under SECTION 3.1 or 3.2, or (ii) to require the applicable Lender to assign its outstanding Syndicated Loans and Commitment hereunder to another financial institution designated by the Borrower and reasonably acceptable to the Administrative Agent. The obligation of a Lender to assign its rights and obligations hereunder as contemplated by this SECTION 3.5(a) is subject to the requirements that (x) all amounts owing to that Lender under the Loan Documents are paid in full upon the completion of such assignment and (y) any assignment is effected in accordance with the terms of SECTION 12.3 and on terms otherwise satisfactory to that Lender (it being understood that the Borrower or the replacement Lender shall pay the processing fee payable to the Administrative Agent pursuant to SECTION 12.3.2 in connection with any such assignment).

(b) In determining the amounts payable under SECTIONS 3.1, 3.2 or 3.4, each Lender shall use its reasonable efforts to make its allocations and computations, to the extent readily determinable, consistent with the allocations and computations applied generally by such Lender to other customers of similar size and credit quality and under similar circumstances. Each Lender shall deliver a written statement of such Lender as to the amount due, if any, under SECTION 3.1, 3.2 or 3.4. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such

Sections in connection with a Eurodollar Loan or Bid Rate Loan made pursuant to an Indexed Rate Auction shall be calculated as though each Lender funded such Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the interest rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement shall be payable not later than fifteen (15) days after receipt by the Borrower of the written statement. The Borrower shall not be liable for any amounts under SECTIONS 3.1, 3.2 or 3.4 accruing more than 120 days prior to the receipt of a demand for payment therefor. The obligations of the Borrower under SECTIONS 3.1, 3.2 and 3.4 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 EFFECTIVENESS; INITIAL ADVANCE. This Agreement shall become effective and the Lenders shall be obligated to make the initial Advance only after the Administrative Agent shall have received from the Borrower, with sufficient copies (other than in the case of any requested Notes) for each of the Lenders, each of the following items in form and substance satisfactory to the Administrative Agent:

(a) copies of the certificates of incorporation (or comparable constitutive document) of the Borrower and each of the Material Subsidiaries, together with all amendments thereto and a certificate of good standing, certified by the appropriate governmental officer of its jurisdiction of organization and by the Secretary, Assistant Secretary, or other appropriate officer of the Borrower or the Material Subsidiary, as applicable;

(b) copies, certified by the Secretary, Assistant Secretary or other appropriate officer of the Borrower and each of the Material Subsidiaries of its by-laws (or any comparable constitutive laws, rules or regulations) and of its board of directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for any Lender) authorizing the execution of the relevant Loan Documents;

(c) incumbency certificates, executed by the Secretary or Assistant Secretary or other appropriate officer of the Borrower and each of the Material Subsidiaries, which shall identify by name and title and bear the signature of the officers of the Borrower and each of the Material Subsidiaries authorized to sign the relevant Loan Documents and to make borrowings hereunder, as applicable, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower;

(d) a certificate, signed by the Chief Financial Officer, stating that on the date hereof no Default or Unmatured Default has occurred and is continuing;

(e) evidence of the payment of all fees required to be paid by the Borrower pursuant to the Fee Letter;

(f) opinions of (i) Ropes & Gray, counsel to the Borrower and the Material Subsidiaries initially parties to the Facility Guaranty, (ii) Jay Meltzer, General Counsel to the Borrower and the Material Subsidiaries initially parties to the Facility Guaranty, (iii) Nevada

counsel to certain of such Material Subsidiaries, and (iv) Minnesota counsel to certain of such Material Subsidiaries, substantially in the forms attached as EXHIBIT B hereto;

(g) evidence of delivery of the 5-Year Credit Agreement by each of the parties thereto;

(h) written money transfer instructions, in substantially the form of EXHIBIT E hereto, addressed to the Administrative Agent and signed by an Authorized Officer, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested;

(i) evidence of the termination of the Existing Credit Agreements and repayment of in full of all obligations, indebtedness and liabilities outstanding thereunder from the proceeds of the initial Loans hereunder and/or the initial "Loans" under and as defined in the 5-Year Credit Agreement;

(j) a fee letter between the Borrower and the Administrative Agent dated on or before the date hereof;

(k) a Facility Guaranty executed by each of the Material Subsidiaries; and

(l) such other documents as any Lender or its counsel may have reasonably requested (including, without limitation, any Notes requested pursuant to SECTION 2.14(a)(iv)).

4.2 EACH ADVANCE. No Lender shall be required to make any Loan hereunder unless on the applicable Borrowing Date:

(a) there exists no Default or Unmatured Default;

(b) the representations and warranties contained in ARTICLE V are true and correct as of such Borrowing Date (other than the representation and warranty set forth in SECTION 5.5, which shall only be made by the Borrower as of the date of this Agreement) except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall be true and correct on and as of such earlier date;

(c) after giving effect to such Loan and the other Loans being made as a part of such Advance, the aggregate outstanding principal amount of all Advances does not exceed the Aggregate Commitment; and

(d) all legal matters incident to the making of such Advance shall be reasonably satisfactory to the Lenders and their counsel.

Each Borrowing Notice and each Conversion/Continuation Notice with respect to a Loan shall constitute a representation and warranty by the Borrower that the conditions contained in SECTIONS 4.2(a), (b) and (c) have been satisfied.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and the other financial accommodations to the Borrower described herein, the Borrower represents and warrants to the Administrative Agent and each Lender as follows as of the date of this Agreement, the date of the initial extension of credit hereunder and thereafter on each date as required by SECTION 4.2 that:

5.1 EXISTENCE AND STANDING. Each of the Borrower and its Subsidiaries (other than Subsidiaries which in the aggregate own, directly or indirectly, less than ten percent (10%) of the total consolidated assets of the Borrower and its Subsidiaries) (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) is duly qualified to do business as a foreign organization and is in good standing under the laws of each jurisdiction in which it owns or leases real property or in which the nature of its business requires it to be so qualified, except those jurisdictions where the failure to be in good standing or to so qualify is not reasonably likely to have a Material Adverse Effect, and (iii) has all requisite corporate or other organizational power and authority to own, lease and operate its property and assets and to conduct its business as presently conducted and as proposed to be conducted.

5.2 AUTHORIZATION AND VALIDITY.

(a) Each of the Borrower and its Subsidiaries has the requisite corporate or other organizational power and authority to execute, deliver and perform each of the Loan Documents which have been or are to be executed by it.

(b) The execution, delivery and performance, as the case may be, of each of the Loan Documents executed by the Borrower or any of its Subsidiaries and to which the Borrower or any of its Subsidiaries is a party, and the consummation of the transactions contemplated thereby, have been duly approved by the respective boards of directors (or other applicable governing body) and, if necessary, the shareholders (or other applicable holder of equity) of the Borrower and its Subsidiaries, and such approvals have not been rescinded. No other corporate or other organizational action or proceedings on the part of the Borrower or its Subsidiaries are necessary to consummate such transactions.

(c) Each of the Loan Documents to which the Borrower or any of its Subsidiaries is a party has been duly executed or delivered, as the case may be, by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally), is in full force and effect and no material term or condition thereof has been amended, modified or waived without the prior written consent of the Required Lenders (or all of the Lenders if so required under SECTION 8.2), and the Borrower and its Subsidiaries have performed and complied with all the terms, provisions, agreements and conditions set forth therein and required to be performed or complied with by such parties and no unmatured default, default or breach of any covenant by any such party exists thereunder. As of the date of the initial extension of credit hereunder, to the best of the Borrower's and its Subsidiaries' knowledge, all parties (other than the Borrower and its

Subsidiaries) have performed and complied with all the terms, provisions, agreements and conditions set forth in the Loan Documents and required to be performed or complied with by such parties and no unmatured default, default or breach of any covenant by any such party exists thereunder.

5.3 NO CONFLICT; GOVERNMENT CONSENT. Neither the execution and delivery by the Borrower or any of its Subsidiaries of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or the Borrower's or any Subsidiary's articles of incorporation or by-laws (or any comparable constitutive laws, rules or regulations) or the provisions of any material indenture, instrument or material agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of any such material indenture, instrument or agreement. No order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority is required to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability of, any of the Loan Documents, except (i) such as have been made or obtained as set forth on SCHEDULE 5.3 or (ii) such as set forth on SCHEDULE 5.3 hereto which have not been obtained or made and which are immaterial.

5.4 FINANCIAL STATEMENTS. The January 27, 2001 audited consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Administrative Agent and the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present in all material respects the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5 MATERIAL ADVERSE CHANGE. As of the date of this Agreement and as of the initial extension of credit hereunder, since January 27, 2001 with respect to the Borrower and its Subsidiaries, there has been no material adverse change in the business, financial condition, operations, performance or Property of the Borrower and its Subsidiaries on a consolidated basis.

5.6 TAXES. The Borrower and its Subsidiaries have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith, as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no tax lien has been filed. The United States income tax returns of the Borrower and its Subsidiaries have been audited by the Internal Revenue Service, or the Internal Revenue Service has allowed the Statute of Limitations for audit to expire, for fiscal years ended January 31, 1998 and prior. No tax liens have been filed and, except as set forth on SCHEDULE 5.6 hereto, no written claims are being made and no other claims are, to the knowledge of the executive officers of the Borrower, asserted with respect to any such taxes except for liens and claims which, in the aggregate, are not reasonably expected to exceed \$25,000,000. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes or other

governmental charges have been established in accordance with Agreement Accounting Principles and, to the knowledge of the executive officers of the Borrower, are adequate.

5.7 LITIGATION AND CONTINGENT OBLIGATIONS. Except as set forth on SCHEDULE 5.7 hereto, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their executive officers, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to result in a Material Adverse Effect. Other than any liability incident to such litigation, arbitration or proceedings, the Borrower and its Subsidiaries have no material contingent obligations not provided for or disclosed in the financial statements referred to in SECTION 5.4.

5.8 SUBSIDIARIES. SCHEDULE 5.8 hereto contains an accurate list of all of the presently existing Subsidiaries of the Borrower, setting forth their respective jurisdictions of organization and the percentage of their respective equity held by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock of such Subsidiaries have been duly authorized and issued and are fully paid and non-assessable.

5.9 ERISA. The Unfunded Liabilities of all Single Employer Plans do not in the aggregate exceed \$40,000,000. Neither the Borrower nor any other member of the Controlled Group has failed to make any required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or other payment with respect to a Single Employer Plan, or has failed to make a required contribution or payment to a Multiemployer Plan. Neither the Borrower nor any other member of the Controlled Group has any potential liability, whether direct or indirect, contingent or otherwise, under Section 4069, 4204 or 4212(c) of ERISA. Each Plan complies in all material respects with all applicable requirements of law and regulations and has been administered in all material respects in accordance with its terms. No Reportable Event has occurred with respect to any Plan, neither the Borrower nor any other member of the Controlled Group has withdrawn from any Plan or initiated steps to do so, no steps have been taken to reorganize or terminate any Plan, no event has occurred which imposes an obligation on the Borrower or any member of the Controlled Group under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; no event or condition has occurred which is reasonably likely to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, in any such case where such event could reasonably be expected to have a Material Adverse Effect.

5.10 ACCURACY OF INFORMATION. No written information, certificate, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Administrative Agent or the Lenders (including the Loan Documents and any representation or warranty therein) contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

5.11 REGULATIONS T, U AND X. Margin stock (as defined in Regulation U) constitutes less than 25% of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or other restriction hereunder. Neither the Borrower nor any of its Subsidiaries is engaged in the business of purchasing or carrying margin stock.

5.12 MATERIAL AGREEMENTS. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or (ii) any agreement or instrument evidencing or governing Material Indebtedness.

5.13 COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any Governmental Authority having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect. Except as set forth in SCHEDULE 5.13 hereto, neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any Environmental, Health or Safety Requirements of Law or the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any petroleum, toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.14 OWNERSHIP OF PROPERTY. Except as set forth on SCHEDULE 5.14 hereto, on the date of this Agreement, the Borrower and its Subsidiaries have good title, free of all Liens other than those permitted by SECTION 6.15, to all of the Property and assets reflected in the financial statements referred to in SECTION 5.4 as owned by it. The Borrower and each of its Subsidiaries owns (or is licensed to use) all Intellectual Property which is necessary or appropriate in any material respect for the conduct of its respective business as conducted on the date of this Agreement, without any material conflict with the rights of any other Person. Neither the Borrower nor any Subsidiary is aware of (i) any material existing or threatened infringement or misappropriation of any of its Intellectual Property by any third party or (ii) any material third party claim that any aspect of the business of the Borrower or any Subsidiary (as conducted on the date of this Agreement) infringes or will infringe upon, any Intellectual Property or other property right of any other Person, in each case that could reasonably be expected to have a Material Adverse Effect.

5.15 LABOR MATTERS. There are no labor controversies pending or, to the best of the Borrower's and its Subsidiaries' knowledge, threatened against the Borrower or any Subsidiary, which, if adversely determined, could reasonably be expected to have a Material Adverse Effect. The Borrower and each of its Subsidiaries are in substantial compliance in all material respects with the Fair Labor Standards Act, as amended.

5.16 INVESTMENT COMPANY ACT. Neither the Borrower nor any Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.17 PUBLIC UTILITY HOLDING COMPANY ACT. Neither the Borrower nor any Subsidiary is a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.18 INSURANCE. The insurance policies and programs in effect with respect to the Property, liabilities and business of the Borrower and its Subsidiaries are maintained with financially sound and reputable insurance companies and reflect coverage that is consistent with sound business practice.

ARTICLE VI
COVENANTS

6. COVENANTS. During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1 FINANCIAL REPORTING. The Borrower will maintain, for itself and its Subsidiaries, a system of accounting established and administered in accordance with generally accepted accounting principles, and will furnish or cause to be furnished to the Administrative Agent with sufficient copies for each of the Lenders:

(a) As soon as practicable but in any event within 105 days after the close of each of its fiscal years, an audit report (which audit report shall be unqualified or shall be otherwise reasonably acceptable to the Required Lenders; PROVIDED that such report may set forth qualifications to the extent such qualifications pertain solely to changes in generally accepted accounting principles from the Agreement Accounting Principles applied during earlier accounting periods, the implementation of which changes (with the concurrence of such accountants) is reflected in the financial statements accompanying such report), certified by independent certified public accountants who are reasonably acceptable to the Required Lenders, prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period and the related statements of income, and consolidated stockholder's equity and cash flows, accompanied by a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Unmatured Default, or if, in the opinion of such accountants, any Default or Unmatured Default shall exist, stating the nature and status thereof.

(b) As soon as practicable but in any event within 60 days after the close of each of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries on a consolidated basis, balance sheets as of the end of such period and the related statements of income, and consolidated stockholder's equity and cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its Chief Financial Officer, Controller or Treasurer as to fairness of presentation and prepared, with respect to such consolidated statements, in accordance with Agreement Accounting Principles (subject to normal year end adjustments).

(c) Together with the financial statements required hereunder, a compliance certificate in substantially the form of EXHIBIT C hereto signed by its Chief Financial Officer, Controller or Treasurer showing the calculations necessary to determine compliance with SECTIONS 6.16 and 6.17, and including a representation that the Borrower is in compliance with SECTION 6.20, in each case as of the last day of the fiscal period covered by such financial statements, and stating that no Default or Unmatured Default exists, or if any Default or

Unmatured Default exists, stating the nature and status thereof and the Borrower's plans with respect thereto; provided, that each such compliance certificate delivered with the financial statements required under SECTION 6.1(a) shall also show the calculations necessary to determine compliance with SECTION 6.20 as of the last day of the fiscal period covered by such financial statements.

(d) As soon as possible and in any event within 10 days after an executive officer of the Borrower knows that any Reportable Event or any other event described in SECTION 5.9 has occurred with respect to any Plan, a statement, signed by the Chief Financial Officer or Treasurer of the Borrower, describing said Reportable Event or other event and the action which the Borrower proposes to take with respect thereto.

(e) As soon as possible and in any event within 10 days after receipt by the Borrower or any Subsidiary, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any petroleum, toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any Environmental, Health or Safety Requirements of Law by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect or subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000 (in each case, determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage).

(f) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(g) Promptly upon the filing thereof, copies of all final registration statements, proxy statements and annual, quarterly, monthly or other reports which the Borrower or any of its Subsidiaries files with the Securities and Exchange Commission (PROVIDED the Borrower shall not be obligated to provide copies of routine reports which are required to be filed concerning the management of employee benefit plans, including, without limitation, stock purchases or the exercise of stock options made under any such employee benefit plan).

(h) Except to the extent that such items are redundant with reports or information otherwise provided pursuant to this SECTION 6.1, promptly upon the furnishing thereof to the holders thereof, copies of all financial statements and reports furnished to the holders of (or trustee or other representative for the holders of) any Indebtedness for money borrowed of the Borrower or its Subsidiaries.

(i) Such other information (including non-financial information) as any Lender through the Administrative Agent may from time to time reasonably request.

6.2 USE OF PROCEEDS. The Borrower will, and will cause each of its Subsidiaries to, use the proceeds of the Advances to repay outstanding loans and advances made under the

Existing Credit Agreements, to repay Advances hereunder and "Advances", "Reimbursement Obligations" and the "Swing Line Loans" under (and as such terms are defined in) the 5-Year Credit Agreement or for general corporate or working capital purposes (including, without limitation, capital expenditures, purchases by the Borrower of its capital stock, Acquisitions permitted under SECTION 6.18 and support of commercial paper). The Borrower will not, nor will it permit any Subsidiary, to use proceeds of the Advances other than as contemplated in this SECTION 6.2.

6.3 OTHER NOTICES. Promptly after the Borrower or relevant subsidiary becomes aware of such occurrence, the Borrower will, and will cause each of its Subsidiaries to, give notice in writing to the Lenders of the occurrence of: (a) any Default or Unmatured Default; and (b) any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect; PROVIDED, no separate notice of the occurrence of any such development under this CLAUSE (b) needs to be given to the extent such item has been disclosed in the Borrower's annual, quarterly or other reports (i.e., 10-K, 10-Q or 8-K) filed with the Securities and Exchange Commission and delivered pursuant to SECTION 6.1(g) or in a press release issued by the Borrower or one of its Subsidiaries. Any such notice shall state the nature and status of the occurrence and any and all actions taken with respect thereto.

6.4 CONDUCT OF BUSINESS. The Borrower will, and will cause each of its Subsidiaries to, carry on and conduct its business in substantially the same manner and in substantially the same or complementary fields of enterprise as it is presently conducted and to do all things necessary to remain duly organized, validly existing and in good standing as a domestic organization in its jurisdiction of organization and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted except for transactions permitted under SECTIONS 6.10, 6.11, 6.13, or 6.18 or where the failure to maintain such authority could not reasonably be expected to have a Material Adverse Effect.

6.5 TAXES. The Borrower will, and will cause each of its Subsidiaries to, pay when due all material taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles and in connection with which no tax Lien has been filed.

6.6 INSURANCE. The Borrower will, and will cause each of its Subsidiaries to, maintain with financially sound and reputable insurance companies insurance with respect to all their Property, liabilities and business in such amounts and covering such risks as is consistent with sound business practice, and the Borrower will furnish to the Administrative Agent upon request of any Lender full information as to the insurance carried.

6.7 COMPLIANCE WITH LAWS. The Borrower will, and will cause each of its Subsidiaries to, comply in all material respects with all laws (including, without limitation, all environmental laws), rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

6.8 MAINTENANCE OF PROPERTIES. The Borrower will, and will cause each of its Subsidiaries to, do all things necessary to maintain, preserve, protect and keep its material Property in good repair, working order and condition, ordinary wear and tear excepted, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times. The Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve and protect all of its material Intellectual Property including, without limitation, perform each of its respective obligations under any and all license agreements and other contracts and agreements evidencing or relating to Intellectual Property, using the same in interstate or foreign commerce, properly marking such Intellectual Property and maintaining all necessary and appropriate governmental registrations (both domestic and foreign) except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.9 INSPECTION. The Borrower will, and will cause each of its Subsidiaries to, permit the Administrative Agent and any or each Lender, by its respective representatives and agents, to inspect any of the Property, corporate books and financial records of the Borrower and each of its Subsidiaries, to examine and make copies of the books of accounts and other financial records of the Borrower and each of its Subsidiaries, and to discuss the affairs, finances and accounts of the Borrower and each of its Subsidiaries with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Administrative Agent or such Lender may designate. Prior to the occurrence of a Default or Unmatured Default, the Lenders will use reasonable efforts to coordinate their inspection through the Administrative Agent so as to minimize any disruption to the business of the Borrower and its Subsidiaries.

6.10 MERGER. The Borrower will not, nor will it permit any of its Subsidiaries to, merge, amalgamate or consolidate with or into any other Person, except that a Wholly-Owned Subsidiary may merge with the Borrower or a Wholly-Owned Subsidiary of the Borrower, subject to the further conditions that (a) if the Borrower is a party to any such permitted merger, the Borrower shall be the surviving corporation and (b) if any Material Subsidiary is a party to any such permitted merger, the surviving entity shall either be or become a party to the Facility Guaranty pursuant to the terms of SECTION 6.21. Nothing herein shall prohibit a transaction otherwise in compliance with SECTION 6.11, 6.13, or 6.18.

6.11 SALE OF ASSETS. Except as disclosed in SCHEDULE 6.11, the Borrower will not, nor will it permit any of its Subsidiaries to, lease, sell or otherwise dispose of its Property, to any other Person except for:

(a) Sales of inventory in the ordinary course of business (which in the business of the Borrower and its Subsidiaries may include sales of larger quantities of inventory other than to consumers, PROVIDED such sales are consistent with the Borrower's and its Subsidiaries' past practices and which are not extraordinary transactions under Agreement Accounting Principles);

(b) The sale, discount, or transfer of delinquent accounts receivable in the ordinary course of business for purposes of collection only;

(c) Occasional sales, leases or other dispositions of immaterial assets for cash consideration and for not less than fair market value;

(d) Sales, leases or other dispositions of assets that are obsolete or have negligible fair market value;

(e) Sales of equipment for cash consideration and for fair market value (but if replacement equipment is necessary for the proper operation of the business of the seller, the seller must promptly replace the sold equipment);

(f) Leases, sales or other dispositions of its Property to the Borrower or a Wholly-Owned Subsidiary of the Borrower;

(g) Other leases, sales or other dispositions of its Property subject to the requirement that the net proceeds of each such lease, sale or other disposition of Property are reinvested in the business of the Borrower and the Subsidiaries as conducted in accordance with the requirements of SECTION 6.4 or are used for other general corporate purposes; and

(h) Sales of assets in the ordinary course of business and consistent with past practices for not less than fair market value, including store closings.

Notwithstanding anything herein to the contrary, the aggregate amount of Property of the Borrower and its Subsidiaries leased, sold or disposed of pursuant to CLAUSES (g) and (h) (excluding any equipment which has been promptly replaced) during the twelve-month period ending with the month in which any such lease, sale or other disposition occurs shall not: (1) in any single transaction or series of related transactions constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries under CLAUSE (b) of the definition of Substantial Portion or (2) in the aggregate constitute a Substantial Portion of the Property of the Borrower and its Subsidiaries under CLAUSE (a) of the definition of Substantial Portion. Notwithstanding anything herein to the contrary, after consummation of any transaction permitted under this SECTION 6.11, the Borrower shall own not less than eighty percent (80%) of the outstanding capital stock of Material Subsidiaries, the domestic assets of which Material Subsidiaries together with the domestic assets of the Borrower represent at least eighty-five percent (85%) of the total domestic consolidated assets of the Borrower and its Subsidiaries immediately after the consummation of such transaction.

6.12 AFFILIATES. Except in connection with transactions otherwise permitted pursuant to the terms of this ARTICLE VI, the Borrower will not, nor will it permit any of its Subsidiaries to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arm's-length transaction; PROVIDED, HOWEVER, that these provisions shall not be applicable with respect to transactions among the Borrower and its Subsidiaries which are in the ordinary course of business and consistent with past practice.

6.13 INVESTMENTS. The Borrower will not, nor will it permit any of its Subsidiaries to, make or suffer to exist any Investments, or commitments therefor, except:

(a) Investments by the Borrower or any of its Subsidiaries in and to any domestic Subsidiary;

(b) Investments by the Borrower or any of its Subsidiaries in and to any foreign Subsidiary in an aggregate amount at any time not to exceed 15% of Consolidated Total Assets;

(c) Investments in existence as of the close of business on the date hereof and which are described in SCHEDULE 6.13 hereto;

(d) Subject to the proviso set forth below, investments made in connection with Acquisitions permitted under SECTION 6.18;

(e) Investments consisting of cash and cash equivalents;

(f) Subject to the proviso set forth below, other Investments in any other Persons in an aggregate amount at any time not to exceed 10% of Consolidated Net Worth;

(g) Investments owned by the Borrower in connection with the Borrower's Executive Savings Plan; and

(h) Loans, capital contributions and other Investments made by any Subsidiary in the Borrower; PROVIDED, HOWEVER, not withstanding anything in this SECTION 6.13 or SECTION 6.18 to the contrary, the aggregate amount of Investments made in connection with Acquisitions made pursuant to CLAUSE (b) of SECTION 6.18 and pursuant to CLAUSE (f) above shall not exceed 10% of Consolidated Net Worth.

6.14 CONTINGENT OBLIGATIONS. The Borrower will not, nor will it permit any of its Subsidiaries to, make or suffer to exist any Contingent Obligation, except:

(a) by endorsement of instruments for deposit or collection in the ordinary course of business;

(b) Contingent Obligations of the Borrower and any of its Subsidiaries existing as of the close of business on the date hereof which are described on SCHEDULE 6.14;

(c) Contingent Obligations in respect of the obligations of any domestic Subsidiary;

(d) Reimbursement obligations in connection with letters of credit issued under the 5-Year Credit Agreement and other letters of credit (PROVIDED the issuance thereof is not violative of any other provision of this ARTICLE VI);

(e) Contingent Obligations consisting of the Borrower's guaranty of reimbursement obligations of any Subsidiary in connection with letters of credit permitted under CLAUSE (d) above;

(f) Contingent Obligations of any Subsidiary to the extent such Contingent Obligations constitute Indebtedness permitted under this ARTICLE VI;

(g) Guaranties of the Obligations hereunder and of the "Obligations" under and as defined in the 5-Year Credit Agreement;

(h) Contingent Obligations of the Borrower to the extent such Contingent Obligations are included in the calculation of Funded Debt; and

(i) Contingent Obligations in an additional aggregate amount not to exceed \$100,000,000 at any one time outstanding.

6.15 LIENS. (a) The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or such Subsidiary, as applicable, except:

(i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books;

(iii) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(iv) utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the same or interfere with the use thereof in the business of the Borrower or any Subsidiary of the Borrower;

(v) Liens existing as of the close of business on the date hereof and which are described in SCHEDULE 5.14;

(vi) Liens created or incurred after the date hereof, given to secure the Indebtedness incurred or assumed in connection with the acquisition or construction of property or assets useful and intended to be used in carrying on the business of the

Borrower or any Subsidiary of the Borrower, including Liens existing on such property or assets at the time of acquisition or construction thereof or at the time of acquisition or construction by the Borrower or such Subsidiary, as applicable, of an interest in any business entity then owning such property or assets, whether or not such existing Liens were given to secure the consideration for the property or assets to which they attach, subject to the requirement that the Lien shall attach solely to the assets acquired or purchased;

(vii) secured or unsecured purchase money Indebtedness (including Capitalized Leases) incurred in the ordinary course of business to finance the acquisition of fixed assets or equipment used in the business of such Subsidiary if such Indebtedness does not exceed the lower of the fair market value or the cost of the applicable fixed assets or equipment on the date acquired;

(viii) Liens on real property with respect to Indebtedness the proceeds of which are used (a) for the construction or improvement of the real property securing such Indebtedness or (b) to finance the cost of construction or improvement of such real property, PROVIDED such financing occurs within one hundred eighty (180) days of receipt of the certificate of occupancy with respect to such construction or improvement (other than with respect to a refinancing under CLAUSE (x) below);

(ix) other Liens (a) securing Indebtedness or other obligations not exceeding \$50,000,000 at any one time outstanding or (b) on property having in the aggregate a fair market value at the time of incurrence of the Lien not exceeding \$50,000,000 at any one time outstanding, whichever is greater;

(x) any extension, renewal or replacement of any Lien permitted by the preceding CLAUSES (vi), (vii), (viii) or (ix) hereof in respect of the same property or assets theretofore subject to such Lien in connection with the extension, renewal or refunding of the Indebtedness secured thereby; PROVIDED that (x) such Lien shall attach solely to the same property or assets, and (y) such extension, renewal or refunding of such Indebtedness shall be without increase in the principal remaining unpaid as of the date of such extension, renewal or refunding; and

(xi) Liens on the shares of capital stock of the Borrower's foreign Subsidiaries securing Indebtedness in an amount which shall not exceed twenty-five percent (25%) of the assets of all foreign Subsidiaries.

6.16 MAXIMUM LEVERAGE RATIO. The Borrower shall not permit its Leverage Ratio to be greater than 0.75 to 1.00 as at the end of each fiscal quarter. The Leverage Ratio shall be calculated, in each case, determined as of the last day of each fiscal quarter based upon (A) for Funded Debt and Consolidated Net Worth, Funded Debt and Consolidated Net Worth as of the last day of each fiscal quarter and (B) for Consolidated Rentals, the actual amount for the four-quarter period ending on such day.

6.17 MINIMUM FIXED CHARGE COVERAGE. The Borrower will, at all times in which (a) the Rated Debt of the Borrower is rated less than BBB- by S&P or is rated less than Baa3 by

Moody's or (b) the Borrower's Leverage Ratio is greater than 0.60 to 1.00, maintain a Fixed Charge Coverage Ratio for the most recently ended period of four consecutive fiscal quarters of at least 1.50 to 1.00.

6.18 ACQUISITIONS. The Borrower will not, nor will it permit any of its Subsidiaries to, make any Acquisition other than (a) a Permitted Acquisition; and (b) other Acquisitions (i) made at a time when no Default or Unmatured Default exists; (ii) consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired, (iii) the aggregate consideration for which, individually or when aggregated with the aggregate consideration for other Acquisitions made under this CLAUSE (b) does not exceed 10% of Consolidated Net Worth, and (iv) the aggregate consideration for all such Acquisitions PLUS the aggregate amount of Investments made pursuant to SECTION 6.13(f) does not exceed 10% of Consolidated Net Worth.

6.19 RATE HEDGING OBLIGATIONS. The Borrower shall not and shall not permit any of its Subsidiaries to enter into any interest rate, commodity or foreign currency exchange, swap, collar, cap or similar agreements other than interest rate, foreign currency or commodity exchange, swap, collar, cap, leveraged derivative or similar agreements entered into by the Borrower pursuant to which the Borrower or such Subsidiary has hedged its actual interest rate, foreign currency or commodity exposure.

6.20 MATERIAL SUBSIDIARIES. The Borrower will cause each Person that becomes a Material Subsidiary of the Borrower after the date of this Agreement (whether as the result of an Acquisition, creation or otherwise and whether under CLAUSE (b) of the definition of Material Subsidiary or as a result of a designation under CLAUSE (c) of the definition of Material Subsidiary) to execute and deliver a supplement to the Facility Guaranty in substantially the form set forth in EXHIBIT I hereto to and in favor of the Administrative Agent for the benefit of itself and the Lenders, together with an opinion of counsel, corporate resolutions and such other corporate documentation as the Administrative Agent may reasonably request, all in form and substance satisfactory to the Administrative Agent and in each case (a) within 30 days after becoming a Material Subsidiary of the Borrower, for a Material Subsidiary under CLAUSE (b) of the definition thereof and (b) at the time of designation, for a Material Subsidiary under CLAUSE (c) of the definition thereof. In addition, the Borrower will designate an additional Subsidiary or Subsidiaries as "Material Subsidiaries" under CLAUSE (c) of the definition of Material Subsidiary such that at the end of each fiscal quarter ending on or prior to the Termination Date the Borrower and its Material Subsidiaries in the aggregate shall own at least eighty-five percent (85%) of the total consolidated domestic assets of the Borrower and its Subsidiaries.

6.21 SUBSIDIARY INDEBTEDNESS. The Borrower will not permit any Subsidiary to create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness existing on the date hereof or proposed to be incurred, each as described in SCHEDULE 6.21 hereto;

(b) Indebtedness of any Subsidiary to third parties, which Indebtedness for all such Subsidiaries does not exceed 20% of Consolidated Net Worth; and

(c) Indebtedness of any Subsidiary to the Borrower or to any other Subsidiary.

6.22 SUBORDINATION OF INTERCOMPANY INDEBTEDNESS. The Borrower will not and will not permit any of its domestic Subsidiaries to create, incur, assume or suffer to exist any intercompany Indebtedness where the obligor on such Indebtedness is the Borrower or any Subsidiary which is a party to the Facility Guaranty, unless such indebtedness is subordinated to the Obligations hereunder on the terms described in SCHEDULE 6.22.

ARTICLE VII DEFAULTS

7. DEFAULTS. The occurrence of any one or more of the following events shall constitute a Default:

7.1 BREACH OF REPRESENTATION OR WARRANTY. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders or the Administrative Agent under or in connection with this Agreement, any Loan or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made or deemed made.

7.2 PAYMENT DEFAULT. Nonpayment of (i) principal of any Loan or Note when due, or (ii) interest upon any Loan or Note or of any fee or other obligations under any of the Loan Documents within five Business Days after such interest, fee or other obligation becomes due.

7.3 BREACH OF CERTAIN COVENANTS. The breach by the Borrower of (a) any of the terms or provisions of SECTIONS 6.2 and 6.4, CLAUSE (a) of SECTION 6.3, any of SECTIONS 6.10 through 6.13, SECTION 6.15, SECTIONS 6.18 through 6.19 or (b) any of the terms of SECTIONS 6.16 or 6.17 and such breach under this CLAUSE (b) continues for 10 days after the first to occur of (i) the date an executive officer of the Borrower first knows of or should have known of such breach or (ii) the date the Borrower receives written notice from any Lender (acting through the Administrative Agent) of such breach.

7.4 BREACH OF OTHER PROVISIONS. The breach by the Borrower (other than a breach which constitutes a Default under SECTION 7.1, 7.2 or 7.3) of any of the terms or provisions of this Agreement, and such breach continues for 30 days after the first to occur of (i) the date an executive officer of the Borrower first knows of or should have known of such breach or (ii) the date the Borrower receives written notice from any Lender (acting through the Administrative Agent) of such breach.

7.5 DEFAULT ON MATERIAL INDEBTEDNESS. Failure of the Borrower or any of its Subsidiaries to make a payment on any Indebtedness under the 5-Year Credit Agreement or any Material Indebtedness when due (after giving effect to any applicable grace period); or the default by the Borrower or any of its Subsidiaries in the performance of any term, provision or condition contained in the 5-Year Credit Agreement or any agreement or agreements under which any Material Indebtedness was created or is governed (and any applicable grace period(s) shall have expired), or any other event shall occur or condition exist, the effect of which is to cause, or to permit the holder or holders of such Indebtedness under the 5-Year Credit

Agreement or such Material Indebtedness to cause, such Indebtedness or Material Indebtedness to become due prior to its stated maturity; or any of the Indebtedness under the 5-Year Credit Agreement or any Material Indebtedness of the Borrower or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Subsidiaries shall not pay, or shall admit in writing its inability to pay, its debts generally as they become due.

7.6 VOLUNTARY INSOLVENCY PROCEEDINGS. The Borrower or any of its Subsidiaries shall (a) have an order for relief entered with respect to it under the United States bankruptcy laws as now or hereafter in effect or cause or allow any similar event to occur under any bankruptcy or similar law or laws for the relief of debtors as now or hereafter in effect in any other jurisdiction, (b) make an assignment for the benefit of creditors, (c) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator, monitor or similar official for it or any Substantial Portion of its Property, (d) institute any proceeding seeking an order for relief under the United States bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or any of its property or its debts under any law relating to bankruptcy, insolvency or reorganization or compromise of debt or relief of debtors as now or hereafter in effect in any jurisdiction, or any organization, arrangement or compromise of debt under the laws of its jurisdiction of organization or fail to promptly file an answer or other pleading denying the material allegations of any such proceeding filed against it, (e) take any corporate or other organizational action to authorize or effect any of the foregoing actions set forth in this SECTION 7.6 or (f) fail to contest in good faith, or consent to or acquiesce in, any appointment or proceeding described in SECTION 7.7.

7.7 INVOLUNTARY INSOLVENCY PROCEEDINGS. Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, custodian, trustee, examiner, liquidator or similar official shall be appointed (either privately or by a court) for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in SECTION 7.6(d) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8 CONDEMNATION. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of (each a "CONDEMNATION"), all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such Condemnation occurs, constitutes a Substantial Portion of the consolidated Property of the Borrower and its Subsidiaries.

7.9 JUDGMENTS. The Borrower or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge any one or more judgments or orders for the payment of money in excess of \$20,000,000 in the aggregate (determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other

policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage), which judgments are not stayed on appeal with adequate reserves set aside on its books in accordance with Agreement Accounting Principles of the Borrower or any of its Subsidiaries.

7.10 ERISA MATTERS. Any Reportable Event, in connection with any Plan shall occur, which may reasonably be expected to subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000.

7.11 ENVIRONMENTAL MATTERS. The Borrower or any of its Subsidiaries shall be the subject of any proceeding or investigation pertaining to the release by the Borrower or any of its Subsidiaries or any other Person of any petroleum, toxic or hazardous waste or substance into the environment, or any violation of any Environmental, Health or Safety Requirements of Law which, in either case, could reasonably be expected to have a Material Adverse Effect or subject the Borrower and its Subsidiaries to liability, individually or in the aggregate, in excess of \$20,000,000 (in each case, determined after giving effect to claims which the Borrower has demonstrated to the reasonable satisfaction of the Administrative Agent are covered by applicable third-party insurance policies (other than retro-premium insurance or other policies with similar self-insurance attributes) of the Borrower or any of its Subsidiaries unless the insurers of such claims have disclaimed coverage or reserved the right to disclaim coverage).

7.12 CHANGE OF CONTROL. Any Change in Control shall occur.

7.13 CHANGE OF SUBSIDIARY OWNERSHIP; FACILITY GUARANTY OR LOAN DOCUMENT DEFAULTS. The Borrower shall cease to own 80% of the outstanding equity interests of any Material Subsidiary which has executed a Facility Guaranty except in connection with a transaction expressly permitted under the terms of SECTIONS 6.10, 6.11, 6.13 or 6.14; or any Facility Guaranty or other Loan Document shall fail to remain in full force or effect or any party thereto shall so assert; or any action shall be taken to discontinue, revoke or to assert the invalidity or unenforceability of any Facility Guaranty or other Loan Document; or any Material Subsidiary shall fail to comply in any material respect with any of the terms or provisions of any Facility Guaranty or other Loan Document to which it is a party; or any Material Subsidiary shall deny that it has any further liability under any Facility Guaranty or other Loan Document to which it is a party, or shall give notice to such effect.

7.14 OFF-BALANCE SHEET LIABILITIES. Other than at the request of an Affiliate of the Borrower party thereto (as permitted thereunder), an event shall occur which (i) permits the investors in respect of Off-Balance Sheet Liabilities of the Borrower or any of its Subsidiaries in an amount, individually or in the aggregate, in excess of \$20,000,000, to require amortization or liquidation of such Off-Balance Sheet Liabilities and (x) such event is not remedied within ten (10) days after the occurrence thereof or (y) such investors shall require amortization or liquidation of such Off-Balance Sheet Liabilities as a result of such event, or (ii) results in the termination or reinvestment of collections or proceeds of accounts or note receivables, as applicable, under the documents and other agreements evidencing such Off-Balance Sheet Liabilities.

ARTICLE VIII
ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1 ACCELERATION. If any Default described in SECTION 7.6 or 7.7 occurs, the obligations of the Lenders to make Loans hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender, and without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives. If any other Default occurs and is continuing (which Default has not been waived under the terms of SECTION 8.2) the Required Lenders may (a) terminate or suspend the obligations of the Lenders to make Loans hereunder, or (b) declare the Obligations to be due and payable, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, or (c) take the action described in both the preceding CLAUSE (a) and the preceding CLAUSE (b).

If, within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in SECTION 7.6 or 7.7) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2 AMENDMENTS. Subject to the provisions of this ARTICLE VIII, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default or Unmatured Default hereunder; PROVIDED, HOWEVER, that no such supplemental agreement shall, without the consent of each Lender affected thereby:

(a) except as provided in SECTION 2.1.2, extend the maturity of any Loan or Note or forgive all or any portion of the principal amount thereof, any interest thereon or any fees or other amounts payable hereunder, or reduce the rate or extend the time of payment of interest, fees or other amounts payable hereunder;

(b) reduce the percentage specified in the definition of Required Lenders;

(c) except as provided in SECTION 2.11(d), increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights or obligations under this Agreement;

(d) except as provided in SECTION 9.15, release any Material Subsidiary from its obligations under the Facility Guaranty; or

(e) amend this SECTION 8.2.

No amendment of any provision of this Agreement relating in any way to the Administrative Agent shall be effective without the written consent of the Administrative Agent. No

amendment of any provision of this Agreement which subjects any Designated Lender to any additional obligation hereunder shall be effective with respect to such Designated Lender without the written consent of such Designated Lender or its Designating Lender. The Administrative Agent may waive payment of the fee required under SECTION 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3 PRESERVATION OF RIGHTS. No delay or omission of the Lenders or any of them or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude any other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by (or with the consent of) the Lenders required pursuant to SECTION 8.2, and then only to the extent specifically set forth in such writing. All remedies contained in the Loan Documents or afforded by law shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid in full.

ARTICLE IX GENERAL PROVISIONS

9.1 SURVIVAL OF REPRESENTATIONS. All representations and warranties of the Borrower contained in this Agreement shall survive delivery hereof (including any Notes) and the making of the Loans herein contemplated.

9.2 GOVERNMENTAL REGULATION. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3 TAXES; STAMP DUTIES. Any taxes (excluding taxes (including net income taxes, franchise taxes and branch profit taxes) as are imposed on or measured by such Lender's net income by the United States of America or any Governmental Authority of the jurisdiction under the laws of which such Lender is organized or maintains its Lending Installation) or other similar assessments or charges made by any Governmental Authority or revenue authority in respect of the Loan Documents shall be paid by the Borrower, together with interest and penalties, if any, as provided in SECTION 3.1. The Borrower shall pay and forthwith on demand indemnify each of the Administrative Agent and each Lender against any liability it incurs in respect of any stamp, registration and similar tax which is or becomes payable in connection with the entry into, performance or enforcement of any Loan Document. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Loans to reduce any liability of the Borrower to such Lender under this SECTION 9.3, so long as such designation is not disadvantageous to such Lender in its reasonable determination. If any Lender has demanded compensation under this SECTION 9.3, the Borrower may elect to require the applicable Lender to assign its outstanding Syndicated Loans and Commitment hereunder to another financial institution designated by the Borrower and reasonably acceptable to the Administrative Agent. The obligation of a Lender to assign its rights and obligations hereunder

as contemplated by this SECTION 9.3 is subject to the requirements that (x) all amounts owing to that Lender under the Loan Documents are paid in full upon the completion of such assignment and (y) any assignment is effected in accordance with the terms of SECTION 12.3 and on terms otherwise satisfactory to that Lender (it being understood that the Borrower or the replacement Lender shall pay the processing fee payable to the Administrative Agent pursuant to SECTION 12.3.2 in connection with any such assignment).

9.4 HEADINGS. Section headings in the Loan Documents are for convenience of reference only and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.5 ENTIRE AGREEMENT. The Loan Documents embody the entire agreement and understanding among the Borrower, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Administrative Agent and the Lenders relating to the subject matter thereof.

9.6 SEVERAL OBLIGATIONS; BENEFITS OF THIS AGREEMENT. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties (and their directors, officers and employees with respect to SECTION 9.7 to this Agreement) and their respective successors and assigns.

9.7 EXPENSES; INDEMNIFICATION.

(a) The Borrower shall reimburse the Administrative Agent for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Administrative Agent and the Arrangers; which attorneys may be employees of the Administrative Agent and the Arrangers or of one outside counsel, but not both) paid or incurred by the Administrative Agent or the Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Administrative Agent, the Arrangers and the Lenders for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of not more than three firms of attorneys for the Administrative Agent, the Arrangers and the Lenders, which attorneys may be employees of such persons) paid or incurred by the Administrative Agent, the Arrangers or any Lender in connection with the restructuring, workout, collection and/or enforcement of the Loan Documents.

(b) The Borrower further agrees to defend, protect, indemnify, and hold harmless the Administrative Agent and each and all of the Arrangers and each of their respective Affiliates, and each of such Person's respective officers, directors, employees, partners, managers, shareholders, attorneys and agents (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs and expenses of any kind or nature whatsoever (including, without limitation, the

reasonable fees and disbursements of attorneys and paralegals for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by or asserted against such Indemnitees in any manner relating to or arising out of:

(i) this Agreement, the other Loan Documents or any act, event or transaction related or attendant thereto or to the making of the Loans hereunder, the management of such Loans, the use or intended use of the proceeds of the Loans hereunder, or any of the other transactions contemplated by the Loan Documents; or

(ii) any liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or remedial action studies), fines, penalties and monetary sanctions and interest, direct or indirect, known or unknown, absolute or contingent, past, present or future relating to violation of any Environmental, Health or Safety Requirements of Law arising from or in connection with the past, present or future operations of the Borrower, its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective Property of the Borrower or its Subsidiaries, the presence of asbestos-containing materials at any respective property of the Borrower or its Subsidiaries or the release or threatened release of any petroleum, toxic or hazardous waste or substance into the environment (collectively, the "INDEMNIFIED MATTERS");

PROVIDED, HOWEVER, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters caused solely by or resulting solely from the willful misconduct or Gross Negligence of such Indemnitee as determined by the final non-appealable judgment of a court of competent jurisdiction. If the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

(c) The Borrower further agrees to assert no claim against any of the Indemnitees on any theory of liability for consequential, special, indirect, exemplary or punitive damages. No settlement shall be entered into by the Borrower or any of its Subsidiaries with respect to any claim, litigation, arbitration or other proceeding relating to or arising out of the transaction evidenced by this Agreement or the other Loan Documents (whether or not the Administrative Agent or any Lender or any other Indemnitee is a party thereto) unless such settlement releases all Indemnitees from any and all liability with respect thereto. After submission of a written request to an Indemnitee from the Borrower detailing the nature of any claim, litigation, arbitration or other proceeding which relates to or arises out of the transaction evidenced by this Agreement or the other Loan Documents, such Indemnitee shall inform the Borrower as to whether it will require compliance with the provisions of this CLAUSE (c) or

whether it will waive such compliance, any waiver of which shall be applicable only for such Indemnatee.

(d) The obligations of the Borrower under this Section shall survive the termination of this Agreement.

9.8 NUMBERS OF DOCUMENTS. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent, if it deems appropriate, may furnish one to each of the Lenders.

9.9 ACCOUNTING. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with Agreement Accounting Principles. If any changes in generally accepted accounting principles are hereafter required or permitted and are adopted by the Borrower or any of its Subsidiaries with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the financial covenants, restrictions or standards herein or in the related definitions or terms used therein ("ACCOUNTING Changes"), the parties hereto agree, at the Borrower's request, to enter into negotiations, in good faith, in order to amend such provisions in a credit neutral manner so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's and its Subsidiaries' financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made; PROVIDED, HOWEVER, until such provisions are amended in a manner reasonably satisfactory to the Administrative Agent and the Required Lenders, no Accounting Change shall be given effect in such calculations and all financial statements and reports required to be delivered hereunder shall be prepared in accordance with Agreement Accounting Principles without taking into account such Accounting Changes. In the event such amendment is entered into, all references in this Agreement to Agreement Accounting Principles shall mean generally accepted accounting principles in effect as of the date of such amendment.

9.10 SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.11 NONLIABILITY OF LENDERS. The relationship between the Borrower, on the one hand, and the Lenders and the Administrative Agent, on the other hand, shall be solely that of borrower and lender. Neither the Administrative Agent nor any Lender shall have any fiduciary responsibilities to the Borrower or any of its Subsidiaries. Neither the Administrative Agent nor any Lender undertakes any responsibility to the Borrower or any of its Subsidiaries to review or inform the Borrower or any of its Subsidiaries of any matter in connection with any phase of the business or operations of the Borrower or any of its Subsidiaries.

9.12 GOVERNING LAW. THE ADMINISTRATIVE AGENT ACCEPTS THIS AGREEMENT, ON BEHALF OF ITSELF AND THE LENDERS, AT CHICAGO, ILLINOIS BY ACKNOWLEDGING AND AGREEING TO IT THERE. ANY DISPUTE BETWEEN THE BORROWER AND ANY OF THE ADMINISTRATIVE AGENT, ANY

LENDER, OR ANY OTHER HOLDER OF THE OBLIGATIONS ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, AND WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE, SHALL BE RESOLVED IN ACCORDANCE WITH THE INTERNAL LAWS (WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

9.13 CONSENT TO JURISDICTION; SERVICE OF PROCESS; JURY TRIAL.

(A) JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM, BUT THE BORROWER ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS. EXCEPT AS SET FORTH IN CLAUSE (B) BELOW, ANY JUDICIAL PROCEEDING BY THE ADMINISTRATIVE AGENT OR ANY LENDER ARISING OUT OF OR RELATING TO THIS CREDIT AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS IF BROUGHT OTHER THAN IN ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS, SHALL BE BROUGHT ONLY IN A COURT IN BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF ANY SUCH PERSON INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS, BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK, TO THE EXTENT THAT JURISDICTION CAN BE OBTAINED AGAINST SUCH PERSONS IN ANY SUCH JURISDICTION, BUT THE PARTIES HERETO ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF CHICAGO, ILLINOIS, BOSTON, MASSACHUSETTS OR NEW YORK, NEW YORK. EACH OF THE PARTIES HERETO WAIVES IN ALL DISPUTES BROUGHT IN THE JURISDICTIONS IDENTIFIED IN THIS CLAUSE (A) ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE PROVIDED, WITH RESPECT TO THE ADMINISTRATIVE AGENT OR ANY LENDER, PERSONAL JURISDICTION WITH RESPECT TO SUCH PARTY MAY BE OBTAINED IN SUCH JURISDICTION.

(B) OTHER JURISDICTIONS. NOTHING HEREIN SHALL LIMIT THE RIGHT OF ANY PERSON TO BRING ANY ACTION HEREUNDER IN A COURT IN ANY

LOCATION TO ENABLE SUCH PERSON TO OBTAIN PERSONAL JURISDICTION OVER ANY OTHER PERSON WITH RESPECT HERETO. THE BORROWER AGREES THAT THE ADMINISTRATIVE AGENT ANY LENDER OR ANY OTHER HOLDER OF THE OBLIGATIONS SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION TO ENABLE SUCH PERSON TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SUCH PERSON. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT UNDER THIS CLAUSE (B) BY SUCH PERSON TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF SUCH PERSON, ALL OF WHICH PERMISSIVE COUNTERCLAIMS SHALL BE BROUGHT BY THE BORROWER IN THE JURISDICTIONS IDENTIFIED IN CLAUSE (A) ABOVE. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH SUCH PERSON HAS COMMENCED A PROCEEDING DESCRIBED IN THIS CLAUSE (B).

(C) SERVICE OF PROCESS; INCONVENIENT FORUM. THE BORROWER WAIVES PERSONAL SERVICE OF ANY PROCESS UPON IT AND AGREES THAT ANY SUCH PROCESS MAY BE SERVED BY REGISTERED MAIL TO THE BORROWER AT ITS ADDRESS FOR NOTICES PURSUANT TO SECTION 13.1. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith IN ANY JURISDICTION SET FORTH ABOVE.

(D) WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith. EACH OF THE PARTIES HERETO AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(E) ADVICE OF COUNSEL. EACH OF THE PARTIES REPRESENTS TO EACH OTHER PARTY HERETO THAT IT HAS DISCUSSED THIS AGREEMENT AND, SPECIFICALLY, THE PROVISIONS OF THIS SECTION 9.13 WITH ITS COUNSEL.

9.14 CONFIDENTIALITY. Each Lender agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (i) to other Lenders and its and their respective Affiliates, Transferees and prospective Transferees (each of whom by its acceptance thereof, agrees to be bound by the terms of this SECTION 9.14), (ii) in confidence to legal counsel, accountants and other professional advisors to that Lender or to Transferees or prospective Transferees pursuant to SECTION 12.5, (iii) to regulatory officials, (iv) to any Person as requested (which request such Lender reasonably believes could give rise to mandatory disclosure) or pursuant to or as required by law, regulation or legal process, (v) to any Person in connection with any legal proceeding to which that Lender is a party with respect to any claim, litigation, arbitration or other proceeding relating to or arising out of the transaction evidenced by this Agreement or the other Loan Documents, (vi) to any Person in connection with any other legal proceeding to which that Lender is a party, PROVIDED, that such Lender uses reasonable efforts to give the Borrower notice of any disclosure thereunder and PROVIDED, FURTHER, that any failure in such regard shall not result in any liability on the part of such Lender, and (vii) permitted by SECTION 12.5.

9.15 FACILITY GUARANTY RELEASES. Each of the Lenders and the Administrative Agent agrees that upon the consummation of any transaction involving a merger permitted under the last sentence of SECTION 6.10, or the sale of all or substantially all of the assets or equity interests of a Material Subsidiary (which sale is permitted pursuant to the terms of SECTION 6.11) or any other transaction otherwise permitted under this Agreement pursuant to which any Material Subsidiary shall cease to be a Material Subsidiary hereunder, upon the reasonable request of the Borrower, the Administrative Agent, for itself and on behalf of the Lenders, shall promptly release and terminate the Facility Guaranty with respect to the Material Subsidiary which is the subject of such transaction.

ARTICLE X
THE ADMINISTRATIVE AGENT

10.1 APPOINTMENT; NATURE OF RELATIONSHIP. Bank One is appointed by the Lenders as the Administrative Agent hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Person with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE X. Notwithstanding the use of the defined term "Administrative Agent" or "agent" in reference to Bank One, it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement and that the Administrative Agent is merely acting as the representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as such contractual representative, the Administrative Agent (i) does not assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of Section 9-102 of the Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender waives.

10.2 POWERS. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties or fiduciary duties to the Lenders, or any obligation to the Lenders to take any action hereunder or under any of the other Loan Documents except any action specifically provided by the Loan Documents required to be taken by the Administrative Agent.

10.3 GENERAL IMMUNITY. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is found in a final judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of such Person.

10.4 NO RESPONSIBILITY FOR LOANS, CREDITWORTHINESS, COLLATERAL, RECITALS, ETC. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with any Loan Document or any extension of credit hereunder; (ii) the performance or observance of any of the covenants or agreements of the Borrower, any Subsidiary or any other obligor under any Loan Document; (iii) the satisfaction of any condition specified in ARTICLE IV, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or Unmatured Default; or (v) the validity, effectiveness or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith. The Administrative Agent shall not be responsible to any Lender for any recitals, statements, representations or warranties herein or in any of the other Loan Documents or for the execution, effectiveness, genuineness, validity, legality, enforceability, collectibility or sufficiency of this Agreement or any of the other Loan Documents or the transactions contemplated thereby, or for the financial condition of the Borrower or any of its Subsidiaries. The Administrative Agent will use its reasonable efforts to distribute to each of the Lenders, in a timely fashion, a copy of all written reports, certificates and information required to be supplied by the Borrower or any of its Subsidiaries to the Administrative Agent pursuant to the terms of this Agreement or any of the other Loan Documents; PROVIDED that any failure in such regard shall not result in any liability on the part of the Administrative Agent and PROVIDED, FURTHER that the Administrative Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Administrative Agent at such time, but is voluntarily furnished by the Borrower to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

10.5 ACTION ON INSTRUCTIONS OF LENDERS. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders or all of the Lenders (as applicable under SECTION 8.2), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders and any other holders of the Obligations. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its

satisfaction (which shall not include any requirement that it be indemnified for its willful misconduct or Gross Negligence) by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6 EMPLOYMENT OF AGENTS AND COUNSEL. The Administrative Agent may execute any of its duties as the Administrative Agent hereunder and under any other Loan Document by or through employees, agents and attorney-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

10.7 RELIANCE ON DOCUMENTS; COUNSEL. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect of legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent and which counsel may have acted as counsel for the Administrative Agent in connection with the negotiation and execution of this Agreement and the other Loan Documents.

10.8 THE ADMINISTRATIVE AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Pro Rata Shares (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including with respect to any disagreement between or among any of the Administrative Agent or Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby, or the enforcement of any of the terms thereof or of any such other documents, PROVIDED that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have arisen solely from the Gross Negligence or willful misconduct of the Administrative Agent.

10.9 RIGHTS AS A LENDER. With respect to its Commitment, Loans made by it, and Notes (if any) issued to it, Bank One (or any other Person succeeding it as the Administrative Agent) shall have the same rights and powers hereunder and under any other Loan Document as any Lender, and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall, unless the context otherwise indicates, include Bank One (or any other Person succeeding it as the Administrative Agent) in its individual capacity. Bank One (or any other Person succeeding it as the Administrative Agent) may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the

Borrower or any of its Subsidiaries in which such Person is not prohibited hereby from engaging with any other Person.

10.10 LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements prepared by the Borrower and its Subsidiaries and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.11 SUCCESSOR ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, and the Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, without the consent of the Borrower and on behalf of the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving notice of resignation, then the retiring Administrative Agent may appoint, without the consent of the Borrower and on behalf of the Lenders, a successor Administrative Agent, which successor Administrative Agent shall be a Lender unless no Lender shall so agree in which event such successor Administrative Agent may be a Person of the Administrative Agent's choosing. Notwithstanding anything herein to the contrary, so long as no Default has occurred and is continuing, each such successor Administrative Agent shall be subject to approval by the Borrower, which approval shall not be unreasonably withheld. Such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE X shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents.

10.12 NO DUTIES IMPOSED ON SYNDICATION AGENTS, DOCUMENTATION AGENTS OR ARRANGERS. None of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent," "Documentation Agent" or "Arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than, if such Person is a Lender, those applicable to all Lenders as such. Without limiting the foregoing, none of the Persons identified on the cover page to this Agreement, the signature pages to this Agreement or otherwise in this Agreement as a "Syndication Agent," "Documentation Agent" or "Arranger" shall have or be deemed to have any fiduciary duty to or fiduciary relationship with any Lender. In addition to

the agreement set forth in SECTION 10.12, each of the Lenders acknowledges that it has not relied, and will not rely, on any of the Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

10.13 ADMINISTRATIVE AGENT'S FEE. The Borrower agrees to pay to the Administrative Agent, for its own account, the fees agreed to by the Borrower and the Administrative Agent by separate letter agreement, or as otherwise agreed from time to time.

ARTICLE XI
SETOFF; RATABLE PAYMENTS

11.1 SETOFF. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default or Unmatured Default occurs and is continuing, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2 RATABLE PAYMENTS. If any Lender, whether by setoff or otherwise, has payment made to it upon its Syndicated Loans (other than payments received pursuant to SECTION 3.1, 3.2 or 3.4) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Syndicated Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of Syndicated Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their Syndicated Loans. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

11.3 APPLICATION OF PAYMENTS. The Administrative Agent shall, unless otherwise specified at the direction of the Required Lenders which direction shall be consistent with the last sentence of this SECTION 11.3, apply all payments and prepayments in respect of any Obligations in the following order:

(a) FIRST, to pay interest on and then principal of any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(b) SECOND, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Administrative Agent in its capacity as such;

(c) THIRD, to the ratable payment of Obligations in respect of any fees, expenses, reimbursements or indemnities then due to the Lenders;

(d) FOURTH, to pay interest due in respect of Loans;

(e) FIFTH, to the ratable payment or prepayment of principal outstanding on Loans in such order as the Administrative Agent may determine in its sole discretion; and

(f) SIXTH, to the ratable payment of all other Obligations.

Unless otherwise designated (which designation shall only be applicable if no Default has occurred and is continuing) by the Borrower or unless otherwise mandated by the terms of this Agreement, all principal payments in respect of Loans shall be applied FIRST, to repay outstanding Floating Rate Loans, and THEN to repay outstanding Eurodollar Loans with those Eurodollar Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods. The order of priority set forth in this SECTION 11.3 and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent and the Lenders as among themselves. The order of priority set forth in CLAUSES (d) through (h) of this SECTION 11.3 may at any time and from time to time be changed by the Required Lenders without necessity of notice to or consent of or approval by Borrower or any other Person. The order of priority set forth in CLAUSES (a) and (b) of this SECTION 11.3 may be changed only with the prior written consent of the Administrative.

ARTICLE XII
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1 SUCCESSORS AND ASSIGNS. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and the Lenders and their respective successors and assigns, except that (a) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the consent of all of the Lenders and (b) any assignment by any Lender must be made in compliance with SECTION 12.3. Notwithstanding CLAUSE (b) of the preceding sentence, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement and its Notes to a Federal Reserve Bank; PROVIDED, HOWEVER, that no such assignment shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with SECTION 12.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of the rights to any Loan or any Note agrees by acceptance of such transfer or assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder, transferee or assignee of the rights to such Loan.

12.2 PARTICIPATIONS.

12.2.1 PERMITTED PARTICIPANTS; EFFECT. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other Eligible Participants (a "PARTICIPANT") participating interests in any Loan owing to such Lender, any Note held by such Lender, the Commitment of such Lender or any other interest of such

Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Loans and the holder of any Note issued to it for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents. The participation agreement effecting the sale of any participating interest shall contain a representation by the Participant to the effect that none of the consideration used to make the purchase of the participating interest in the Commitment and Loans under such participation agreement are "plan assets" as defined under ERISA and that the rights and interests of the Participant in and under the Loan Documents will not be "plan assets" under ERISA.

12.2.2 VOTING RIGHTS. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Commitment in which such Participant has an interest which would require the consent of such Participant under SECTION 8.2(a) if such Participant were a Lender.

12.2.3 BENEFIT OF SETOFF AND OTHER PROVISIONS. The Borrower agrees that to the extent permitted by law each Participant shall be deemed to have the right of setoff provided in SECTION 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, PROVIDED that each Lender shall retain the right of setoff provided in SECTION 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in SECTION 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with SECTION 11.2 as if each Participant were a Lender. The Borrower agrees that each Participant shall be entitled to the benefits of SECTIONS 3.1, 3.2 and 3.4 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to SECTION 12.3; PROVIDED, HOWEVER, that in no event shall the Borrower be obligated to make any payment with respect to such Sections which is greater than the amount that the Borrower would have paid to the Lender had no such participating interest been sold.

12.3 ASSIGNMENTS.

12.3.1 PERMITTED ASSIGNMENTS. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more commercial banks ("PURCHASERS") all or any part of its Commitment and outstanding Loans, together with its rights and obligations under the Loan Documents with respect thereto; PROVIDED, HOWEVER, that the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of such assignment) may be in the amount of such Lender's entire Commitment but otherwise shall not be less than \$10,000,000 or an integral multiple of \$1,000,000 in excess of that amount. Such assignment shall be substantially in the

form of EXHIBIT D hereto or in such other form as may be agreed to by the parties thereto. The consent of the Borrower and the Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not (i) a Lender or (ii) a Wholly-Owned Subsidiary of the same corporate parent of which the assigning Lender is a Subsidiary (neither of which consents may be unreasonably withheld or delayed); PROVIDED, HOWEVER, that if a Default has occurred and is continuing, the consent of the Borrower shall not be required.

12.3.2 EFFECT; EFFECTIVE DATE. Upon (a) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached to EXHIBIT D hereto (a "NOTICE OF ASSIGNMENT"), together with any consents required by SECTION 12.3.1, and (b) payment of a \$3,500 fee to the Administrative Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Notice of Assignment. The Notice of Assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and Loans under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto and thereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this SECTION 12.3.2, the transferor Lender, the Administrative Agent, and the Borrower shall make appropriate arrangements so that, if the transferor Lender desires that its Loans be evidenced by Notes, replacement Notes are issued to such transferor Lender and, if the Purchaser desires that its Loans be evidenced by Notes, new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting its Commitment, as adjusted pursuant to such assignment.

12.4 DESIGNATED LENDERS. (a) Subject to the terms and conditions set forth in this SECTION 12.4(a), any Lender may from time to time elect to designate an Eligible Designee to provide all or any part of the Loans to be made by such Lender pursuant to this Agreement; PROVIDED the designation of an Eligible Designee by any Lender for purposes of this SECTION 12.4(a) shall be subject to the approval of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld or delayed). Upon the execution by the parties to each such designation of an agreement in the form of EXHIBIT J hereto (a "DESIGNATION AGREEMENT") and the acceptance thereof by the Borrower and the Administrative Agent, the Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit the Designated Lender to provide all or a portion of the Loans to be made by the Designating Lender pursuant to the terms of this Agreement and the making of such Loans or portion thereof shall satisfy the obligation of the Designating Lender to the same extent, and as if, such Loan was made by the Designating Lender. As to any Loan made by it, each Designated Lender shall have all the rights a Lender making such Loan would have under this Agreement and otherwise; PROVIDED, (x) that all voting rights under this Agreement shall be exercised solely by the Designating Lender and (y) each Designating Lender shall remain solely responsible to the other parties hereto for its obligations

under this Agreement, including the obligations of a Lender in respect of Loans made by its Designated Lender. If the Designating Lender's Loans are evidenced by Notes, no additional Notes shall be required with respect to Loans provided by a Designated Lender; PROVIDED, HOWEVER, to the extent any Designated Lender shall advance funds, the Designating Lender shall be deemed to hold any Notes in its possession as an agent for such Designated Lender to the extent of the Loan funded by such Designated Lender. Such Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and communications hereunder. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Administrative Agent shall be responsible for any Designating Lender's application of any such payments. In addition, any Designated Lender may (i) with notice to, but without the consent of the Borrower and the Administrative Agent, assign all or portions of its interests in any Loans to its Designating Lender or to any financial institution consented to by the Borrower and the Administrative Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender and (ii) subject to advising any such Person that such information is to be treated as confidential in accordance with such Person's customary practices for dealing with confidential, non-public information, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any guarantee, surety or credit or liquidity enhancement to such Designated Lender.

(b) Each party to this Agreement hereby agrees that it shall not institute against, or join any other person in instituting against any Designated Lender any bankruptcy, reorganization, arrangements, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law for one year and a day after the payment in full of all outstanding senior indebtedness of any Designated Lender; PROVIDED that the Designating Lender for each Designated Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of their inability to institute any such proceeding against such Designated Lender. This SECTION 12.4(b) shall survive the termination of this Agreement.

12.5 DISSEMINATION OF INFORMATION. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "TRANSFeree") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; PROVIDED that each Transferee and prospective Transferee agrees to be bound by SECTION 9.14 of this Agreement.

12.6 TAX TREATMENT. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of SECTION 2.18.

ARTICLE XIII NOTICES

13.1 GIVING NOTICE. Except as otherwise permitted by SECTION 2.14(b) with respect to telephonic notices, all notices and other communications provided to any party hereto

under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below its signature hereto or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of telexes).

13.2 CHANGE OF ADDRESS. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV
COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. Subject to SECTION 4.1, this Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by telex or telephone that it has taken such action.

[Remainder of this Page Intentionally Blank]

IN WITNESS WHEREOF, the Borrower, the Lenders and the Administrative Agent
have executed this Agreement as of the date first above written.

THE TJX COMPANIES, INC.,
as the Borrower

By: /s/ MARY B. REYNOLDS

Name: Mary B. Reynolds
Title: Treasurer

Address:

770 Cochituate Road
Framingham, Massachusetts 01701
Attn: Don Campbell, Chief Financial Officer
Telephone No.: (508) 390-1000
Facsimile No.: (508) 390-2199

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

BANK ONE, NA (MAIN OFFICE CHICAGO),
as a Lender and as Administrative Agent

By: /s/ VINCENT R. HENCHEK

Name: Vincent R. Henchek
Title: Director

Address:

1 Bank One Plaza
Chicago, Illinois 60670
Attention: Timothy J. King
Telephone No: (312) 732-4973
Facsimile No.: (312) 732-7455
E-mail: tim_j_king@bankone.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

THE BANK OF NEW YORK,
as a Lender and as a Syndication Agent

By: /s/ CHARLOTTE SOHN-FUIKS

Name: Charlotte Sohn-Fuiks
Title: Vice President

Address:

One Wall Street
8th Floor
New York, New York 10286
Attention: Charlotte Sohn-Fuiks
Telephone No: (212) 635-7869
Facsimile No.: (212) 635-1483
E-mail: csohn@bankofny.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

FLEET NATIONAL BANK,
as a Lender, as a Syndication Agent and as an
Issuing Lender

By: /s/ LINDA E.C. ALTO

Name: Linda E.C. Alto
Title: Director

Address:

Mail Stop MA DE 10008F
100 Federal Street
Boston, MA 02110
Attention: Linda E. Alto
Telephone No.: (617) 434-1601
Facsimile: (617) 434-1692
E-mail: linda_e_alto@fleet.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

BANK OF AMERICA, N.A
as a Lender

By: /s/ AMY KROVOCHECK

Name: Amy Krovocheck
Title: Vice President

Address:

901 Main Street
64th Floor
Dallas, TX 75202
Attention: Amy Krovocheck
Telephone No.: (214) 209-0193
Facsimile: (214) 209-0905
E-mail: amy.a.krovocheck@bankofamerica.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

JPMORGAN CHASE BANK,
as a Lender and Documentation Agent

By: /s/ JOHN A. FRANCIS

Name: John A. Francis
Title: Vice President

Address:

234 Church Street, 6th Floor
New Haven, CT 06510
Attention: John A. Francis
Telephone No.: (860) 633-7799
Facsimile: (203) 784-3838
E-mail: john.francis@jpmorgan.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

UNION BANK OF CALIFORNIA, N.A.
as a Lender

By: /s/ THERESA L. ROCHA

Name: Theresa L. Rocha
Title: Vice President

Address:

350 California Street
6th Floor
San Francisco, CA 94546
Attention: Terry Rocha
Telephone No.: (415) 705-7594
Facsimile: (415) 705-7085
E-mail: theresa.rocha@uboc.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ BRENDAN A. LAWLOR

Name: Brendan A. Lawlor
Title: Vice President

Address:

127 Public Square
Mail Code OH-01-27-0606
Cleveland, OH 44114
Attention: Brendan Lawlor
Telephone No.: (216) 689-5642
Facsimile: (216) 689-4981
E-mail: brendan_a_lawlor@keybank.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

PNC BANK, NATIONAL ASSOCIATION
as a Lender

By: /s/ DONALD V. DAVIS

Name: Donald V. Davis
Title: Vice President

Address:

70 East 55th Street, 21st Floor
New York, NY 10022
Attention: Donald V. Davis
Telephone No.: (212) 303-0034
Facsimile: (212) 303-0064
E-mail: dv.davis@pncbank.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

MELLON BANK, N.A.,
as a Lender

By: /s/ NANCY E. GALE

Name: Nancy E. Gale
Title: Vice President

Address:

1 Mellon Center
Room 4450
Pittsburgh, PA 15258
Attention: Nancy E. Gale
Telephone No.: (412) 268-2800
Facsimile: (412) 236-6112
E-mail:

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

THE ROYAL BANK OF SCOTLAND PLC,
as a Lender

By: /s/ CLIVE HALLAM

Name: Clive Hallam
Title: Corporate Director

Address:

135 Bishopsgate
London EC2M 3UR
Attention: Simon Millsop/Steve Beale
Telephone No.: 00 44 207 375 8781/8466
Facsimile: 00 44 207 375 8710
E-mail: simon.millsop@rbs.co.uk
steve.beale@rbs.co.uk

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ THOMAS L. BAYER

Name: Thomas L. Bayer
Title: Vice President

Address:

Retail & Apparel Group
SL-TW-12MP
One U.S. Bank Plaza
St. Louis, MO 63101
Attention: Tom Bayer
Telephone No.: (314) 418-3993
Facsimile: (314) 418-3859
E-mail: thomas.l.bayer@firststar.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

CITIZENS BANK OF MASSACHUSETTS,
as a Lender

By: /s/ STEPHEN FOLEY

Name: Stephen Foley
Title: Vice President

Address:

28 State Street
15th Floor
Boston, MA 02110
Attention: Maria Chaplain
Telephone No.: (781) 655-4391
Facsimile: (781) 655-4050
E-mail: maria.chaplain@citizensbank.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

FIFTH THIRD BANK,
as a Lender

By: /s/ CHRISTINE L. WAGNER

Name: Christine L. Wagner
Title: Assistant Vice President

Address:

MD 109054
38 Fountain Square Plaza
Cincinnati, OH 45263
Attention: Christine L. Wagner
Telephone No.: (513) 534-7348
Facsimile: (513) 534-5947
E-mail: Christine.Wagner@53.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

SOVEREIGN BANK,
as a Lender

By: /s/ ROBERT E. COOK

Name: Robert E. Cook
Title: Vice President

Address:

75 State Street
Boston, MA
Attention: Jesse Wong, AVP
Telephone No.: (617) 346-7343
Facsimile: (617) 346-3330
E-mail: jwong@sovereignbank.com
rcook@sovereignbank.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as a Lender

By: /s/ CAROLINE E. GATES

Name: Caroline E. Gates
Title: Vice President

Address:

70 East 55th Street
11th Floor
New York, NY 10022
Attention: Caroline Gates
Telephone No.: (212) 836-4043
Facsimile: (212) 593-5241
E-mail: caroline.e.gates@wellsfargo.com

SIGNATURE PAGE TO 364-DAY REVOLVING CREDIT AGREEMENT

AMENDMENT

This instrument dated as of December 6, 2001, amends the Amended and Restated Employment Agreement dated as of January 31, 1998 (the "1998 Agreement") by and between The TJX Companies, Inc. (the "Company") and Richard Lesser ("Mr. Lesser"):

WHEREAS Mr. Lesser is currently employed by the Company pursuant to the post-February 1, 2001 provisions of the second sentence of Section 1 of the 1998 Agreement; and

WHEREAS Mr. Lesser resigned as an officer of the Company by instrument dated December 6, 2001 (the "Resignation Date"); and

WHEREAS the Company, following Mr. Lesser's resignation as an officer, wishes to clarify the basis on which Mr. Lesser will continue to provide services to the Company;

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Mr. Lesser agree as follows:

1. CLARIFICATION OF TERMS. Consistent with Mr. Lesser's resignation on the Resignation Date as an officer of the Company and its subsidiaries, the text of the 1998 Agreement is hereby clarified, effective as of the Resignation Date, by (i) amending Section 2(a) thereof to read: "Mr. Lesser shall serve as Senior Corporate Advisor and, in that capacity, shall perform such duties and perform such responsibilities as shall from time to time be assigned to him by the President or the Board.", and (ii) otherwise deleting references to Mr. Lesser's role as an executive or officer of the Company or its subsidiaries. Effective as of the Resignation Date, all references in the 1998 Agreement to Mr. Lesser as "Executive" are replaced by references to "Mr. Lesser." The parties hereto agree and acknowledge that during the term of the 1998 Agreement Mr. Lesser will continue to be employed by the Company but does not, and will not, have the responsibilities of, or the authority to act as, an executive or officer of the Company or of any of the Company's subsidiaries. Nothing in this 1998 Agreement, however, shall be construed as limiting Mr. Lesser's service as a director of the Company.

2. BASE SALARY. For the fiscal year of the Company ended in ("FYE") 2002 and for any subsequent fiscal year in which Mr. Lesser remains employed under the 1998 Agreement, Section 3(a) of the 1998 Agreement is amended by deleting "\$900,000" and replacing it with "\$500,000".

3. LRPIP. For the three-year cycle beginning with FYE 2002 and ending with FYE 2004, Mr. Lesser was awarded an LRPIP opportunity based on a deemed base salary of \$1,000,000 (target award level: \$550,000). For any subsequent three-year LRPIP cycle beginning prior to Mr. Lesser's retirement, including without limitation the three-year LRPIP cycle beginning with FYE 2003 and ending with FYE 2005, Mr. Lesser will participate in LRPIP with award opportunities that are based on his actual rate of Base Salary at the beginning of such cycle (currently \$500,000), with a target award percentage of 55%.

4. MIP. For the avoidance of doubt, Mr. Lesser will continue to share in MIP award opportunities until he retires from the Company, based on the opportunity percentages set forth in Section 3(c) of the 1998 Agreement and his actual rate of Base Salary for the applicable year. For the year in which Mr. Lesser retires pursuant to Section 5(b) of the 1998 Agreement, he will be entitled to a MIP award payment equal to his target MIP award opportunity for such year prorated for the period of his employment during such year prior to retirement. The prorated MIP award payment described in the preceding sentence will be in addition to the prorated LRPIP payments described in Section 5(b) of the 1998 Agreement.

5. OTHER PROVISIONS. Except as set forth in paragraphs 1 through 4 above, the 1998 Agreement (to the extent consistent with the foregoing) shall continue in full force and effect.

6. GOVERNING LAW. This instrument of amendment shall be construed in accordance with, and shall be governed by, the laws of the Commonwealth of Massachusetts, other than the conflict-of-laws provisions thereof, and shall be treated for all purposes as an agreement under seal.

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this instrument of amendment, and Mr. Lesser has set his hand hereto, all as of the date first above written.

THE TJX COMPANIES, INC.

By: /s/ EDMOND ENGLISH

Edmond English

/s/ RICHARD LESSER

Richard Lesser

AMENDMENT

The TJX Companies, Inc. (the "Company") and Arnold Barron ("Executive") hereby amend the amended and restated employment agreement between the Company and Executive dated as of January 31, 2000 (the "Employment Agreement"), as follows:

1. Section 8(b) of the Employment Agreement (relating to certain noncompetition provisions) is hereby amended by deleting the sentence that begins: "A business shall be deemed a competitor of the Company..." and replacing it with the following sentence:

"A business shall be deemed a competitor of the Company if and only (i) if it shall then be so regarded by retailers generally or (ii) if it shall operate a promotional off-price family apparel and/or home furnishings store within 10 miles of any "then existing" T.J. Maxx, Marshalls, HomeGoods or A.J. Wright store or (iii) if it shall operate an on-line, "e-commerce" or other internet-based off-price family apparel and/or home furnishings business; provided, that a business shall be deemed a competitor of the Company or its subsidiaries under clause (iii) only if the Company is then also operating an on-line, "e-commerce" or other internet-based off-price family apparel and/or home furnishings business."

2. Section C.3 of Exhibit C is hereby deleted and replaced in its entirety with the following:

"Payments under Section C.1 and Section C.2 of this Exhibit shall be made without regard to whether the deductibility of such payments (or any other payments or benefits to or for the benefit of Executive) would be limited or precluded by Section 280G of the Code ("Section 280G") and without regard to whether such payments (or any other payments or benefits) would subject Executive to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code (the "Excise Tax"). If any portion of the payments or benefits to or for the benefit of Executive (including, but not limited to, payments and benefits under this Agreement but determined without regard to this paragraph) constitutes an "excess parachute payment" within the meaning of Section 280G (the aggregate of such payments being hereinafter referred to as the "Excess Parachute Payments"), the Company shall promptly pay to Executive an additional amount (the "gross-up payment") that after reduction for all taxes (including but not limited to the Excise Tax) with respect to such gross-up payment equals the Excise Tax with respect to the Excess Parachute Payments. The determination as to

whether Executive's payments and benefits include Excess Parachute Payments and, if so, the amount of such payments, the amount of any Excise Tax owed with respect thereto, and the amount of any gross-up payment shall be made at the Company's expense by PricewaterhouseCoopers LLP or by such other certified public accounting firm as the Committee may designate prior to a Change of Control (the "accounting firm"). Notwithstanding the foregoing, if the Internal Revenue Service shall assert an Excise Tax liability that is higher than the Excise Tax (if any) determined by the accounting firm, the Company shall promptly augment the gross-up payment to address such higher Excise Tax liability."

3. Except as provided in paragraphs 1 and 2 above, the Employment Agreement shall continue in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, The TJX Companies, Inc. has caused this instrument of amendment to be executed by its duly authorized officer, and Executive has hereunto set his hand, all as of the 30th day of July, 2001.

THE TJX COMPANIES, INC.

By: /s/ CAROL MEYROWITZ

Carol Meyrowitz

 /s/ ARNOLD BARRON

Arnold Barron

SELECTED FINANCIAL DATA (CONTINUING OPERATIONS)

DOLLARS IN THOUSANDS

FISCAL YEAR ENDED JANUARY

EXCEPT PER SHARE AMOUNTS

	2002	2001	2000	1999	1998 (53 weeks)
Income statement and per share data:					
Net sales	\$ 10,708,998	\$ 9,579,006	\$ 8,795,347	\$ 7,949,101	\$ 7,389,069
Income from continuing operations before extraordinary item and cumulative effect of accounting change	\$ 540,397	\$ 538,066	\$ 526,822	\$ 433,202	\$ 306,592
Weighted average common shares for diluted earnings per share calculation	278,133,862	289,196,228	317,790,764	334,647,950	349,612,184
Diluted earnings per share from continuing operations before extraordinary item and cumulative effect of accounting change	\$ 1.94	\$ 1.86	\$ 1.66	\$ 1.29	\$.88
Cash dividends declared per share	\$.18	\$.16	\$.14	\$.12	\$.10
Balance sheet data:					
Cash and cash equivalents	\$ 492,776	\$ 132,535	\$ 371,759	\$ 461,244	\$ 404,369
Working capital	800,916	537,185	532,017	663,902	648,918
Total assets	3,595,743	2,932,283	2,804,963	2,760,127	2,636,310
Capital expenditures	449,444	257,005	238,569	207,742	192,382
Long-term obligations(1)	702,379	319,372	319,367	220,344	221,024
Shareholders' equity	1,340,698	1,218,712	1,119,228	1,220,656	1,164,092
Other financial data:					
After-tax return on average shareholders' equity	42.2%	46.0%	45.0%	36.3%	26.8%
Total debt as a percentage of total capitalization(2)	34.4%	22.7%	27.3%	15.3%	17.3%
Stores in operation at year end:					
T.J. Maxx	687	661	632	604	580
Marshalls	582	535	505	475	461
Winners	131	117	100	87	76
T.K. Maxx	101	74	54	39	31
HomeGoods	112	81	51	35	23
A.J. Wright	45	25	15	6	--
HomeSense	7	--	--	--	--
Total	1,665	1,493	1,357	1,246	1,171

(1) Includes long-term debt and obligation under capital lease.

(2) Total capitalization includes shareholders' equity, short-term debt, long-term debt, capital lease obligation and current maturities thereon.

THE TJX COMPANIES, INC.

Consolidated Statements of Income

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS	FISCAL YEAR ENDED		
	JANUARY 26 , 2002	JANUARY 27, 2001	JANUARY 29, 2000
Net sales	\$ 10,708,998	\$ 9,579,006	\$ 8,795,347
Cost of sales, including buying and occupancy costs	8,122,922	7,188,124	6,579,400
Selling, general and administrative expenses	1,686,389	1,503,036	1,354,665
Interest expense, net	25,643	22,904	7,345
Income from continuing operations before income taxes and cumulative effect of accounting change	874,044	864,942	853,937
Provision for income taxes	333,647	326,876	327,115
Income from continuing operations before cumulative effect of accounting change	540,397	538,066	526,822
(Loss) from discontinued operations, net of income taxes	(40,000)	--	--
Income before cumulative effect of accounting change	500,397	538,066	526,822
Cumulative effect of accounting change, net of income taxes	--	--	(5,154)
Net income	\$ 500,397	\$ 538,066	\$ 521,668
Basic earnings per share:			
Income from continuing operations before cumulative effect of accounting change	\$ 1.96	\$ 1.87	\$ 1.67
Net income	\$ 1.82	\$ 1.87	\$ 1.66
Weighted average common shares -- basic	275,323,741	287,440,637	314,577,145
Diluted earnings per share:			
Income from continuing operations before cumulative effect of accounting change	\$ 1.94	\$ 1.86	\$ 1.66
Net income	\$ 1.80	\$ 1.86	\$ 1.64
Weighted average common shares -- diluted	278,133,862	289,196,228	317,790,764
Cash dividends declared per share	\$.18	\$.16	\$.14

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.

Consolidated Balance Sheets

IN THOUSANDS	JANUARY 26, 2002	JANUARY 27, 2001
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 492,776	\$ 132,535
Accounts receivable, net	69,209	61,845
Merchandise inventories	1,456,976	1,452,877
Prepaid expenses and other current assets	84,962	74,690
Current deferred income taxes, net	12,003	43,997
	-----	-----
Total current assets	2,115,926	1,765,944
	-----	-----
Property at cost:		
Land and buildings	144,958	133,714
Leasehold costs and improvements	880,791	704,011
Furniture, fixtures and equipment	1,210,366	984,848
	-----	-----
	2,236,115	1,822,573
Less accumulated depreciation and amortization	1,076,196	914,590
	-----	-----
	1,159,919	907,983
	-----	-----
Property under capital lease, net of accumulated amortization of \$1,489	31,083	--
Other assets	83,139	69,976
Non-current deferred income taxes, net	26,575	3,394
Goodwill and tradename, net of amortization	179,101	184,986
	-----	-----
Total Assets	\$ 3,595,743	\$ 2,932,283
	-----	-----
Liabilities		
Current liabilities:		
Current installments of long-term debt	\$ --	\$ 73
Obligation under capital lease due within one year	1,244	--
Short-term debt	--	39,000
Accounts payable	761,546	645,672
Accrued expenses and other current liabilities	552,220	544,014
	-----	-----
Total current liabilities	1,315,010	1,228,759
	-----	-----
Other long-term liabilities	237,656	165,440
Obligation under capital lease, less portion due within one year	30,336	--
Long-term debt, exclusive of current installments	672,043	319,372
Commitments and contingencies	--	--
Shareholders' Equity		
Common stock, authorized 1,200,000,000 shares, par value \$1, issued and outstanding 271,537,653 and 280,378,675 shares, respectively	271,538	280,379
Additional paid-in capital	--	--
Accumulated other comprehensive income (loss)	(6,755)	(3,288)
Retained earnings	1,075,915	941,621
	-----	-----
Total shareholders' equity	1,340,698	1,218,712
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 3,595,743	\$ 2,932,283
	=====	=====

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows

IN THOUSANDS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Cash flows from operating activities:			
Net income	\$ 500,397	\$ 538,066	\$ 521,668
Adjustments to reconcile net income to net cash provided by operating activities:			
Loss from discontinued operations, net of tax	40,000	--	--
Cumulative effect of accounting change	--	--	5,154
Depreciation and amortization	204,081	175,781	160,466
Property disposals and impairments	6,832	4,559	4,624
Tax benefit of employee stock options	30,644	15,941	11,736
Deferred income tax provision (benefit)	35,230	(24,235)	1,790
Changes in assets and liabilities:			
(Increase) in accounts receivable	(7,615)	(6,501)	(8,137)
(Increase) in merchandise inventories	(13,292)	(232,031)	(26,856)
(Increase) in prepaid expenses and other current assets	(1,273)	(12,083)	(15,519)
Increase (decrease) in accounts payable	120,770	34,158	(2,747)
Increase (decrease) in accrued expenses and other liabilities	16,054	69,134	(35,673)
Other, net	(19,382)	(6,026)	(21,282)
Net cash provided by operating activities	912,446	556,763	595,224
Cash flows from investing activities:			
Property additions	(449,444)	(257,005)	(238,569)
Issuance of note receivable	(5,402)	(23,100)	(5,848)
Proceeds from sale of other assets	--	9,183	--
Net cash (used in) investing activities	(454,846)	(270,922)	(244,417)
Cash flows from financing activities:			
Proceeds from borrowings of short-term debt, net	--	39,000	--
Proceeds from borrowings of long-term debt	347,579	--	198,060
Principal payments on long-term debt	(73)	(100,203)	(695)
Payments on short-term debt	(39,000)	--	--
Payments on capital lease obligation	(992)	--	--
Proceeds from sale and issuance of common stock, net	65,202	26,101	9,312
Cash payments for repurchase of common stock	(424,163)	(444,105)	(604,560)
Cash dividends paid	(48,290)	(44,693)	(42,739)
Net cash (used in) financing activities	(99,737)	(523,900)	(440,622)
Effect of exchange rate changes on cash	2,378	(1,165)	330
Net increase (decrease) in cash and cash equivalents	360,241	(239,224)	(89,485)
Cash and cash equivalents at beginning of year	132,535	371,759	461,244
Cash and cash equivalents at end of year	\$ 492,776	\$ 132,535	\$ 371,759

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.

Consolidated Statements of Shareholders' Equity

IN THOUSANDS	COMMON STOCK, PAR VALUE \$1	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS	TOTAL
	-----	-----	-----	-----	-----
Balance, January 30, 1999	\$ 322,141	\$ --	\$ (1,529)	\$ 900,044	\$ 1,220,656
Comprehensive income:					
Net income	--	--	--	521,668	521,668
Gain due to foreign currency translation adjustments	--	--	1,134	--	1,134
(Loss) on net investment hedge contracts	--	--	(905)	--	(905)
Unrealized (loss) on securities	--	--	(133)	--	(133)
	-----	-----	-----	-----	-----
Total comprehensive income					521,764
Cash dividends declared on common stock	--	--	--	(43,716)	(43,716)
Common stock repurchased	(23,578)	(20,368)	--	(557,314)	(601,260)
Issuance of common stock under stock incentive plans and related tax benefits	1,416	20,368	--	--	21,784
	-----	-----	-----	-----	-----
Balance, January 29, 2000	299,979	--	(1,433)	820,682	1,119,228
Comprehensive income:					
Net income	--	--	--	538,066	538,066
(Loss) due to foreign currency translation adjustments	--	--	(11,860)	--	(11,860)
Gain on net investment hedge contracts	--	--	11,547	--	11,547
Minimum pension liability adjustment	--	--	(1,675)	--	(1,675)
Reclassification of prior unrealized loss on securities	--	--	133	--	133
	-----	-----	-----	-----	-----
Total comprehensive income					536,211
Cash dividends declared on common stock	--	--	--	(45,266)	(45,266)
Common stock repurchased	(22,233)	(40,736)	--	(371,861)	(434,830)
Issuance of common stock under stock incentive plans and related tax benefits	2,633	40,736	--	--	43,369
	-----	-----	-----	-----	-----
Balance, January 27, 2001	280,379	--	(3,288)	941,621	1,218,712
Comprehensive income:					
Net income	--	--	--	500,397	500,397
Cumulative effect of accounting change (SFAS No. 133)	--	--	(1,572)	--	(1,572)
(Loss) due to foreign currency translation adjustments	--	--	(8,185)	--	(8,185)
Gain on net investment hedge contracts	--	--	8,190	--	8,190
Minimum pension liability adjustment	--	--	(2,151)	--	(2,151)
Amounts reclassified from other comprehensive income to net income	--	--	251	--	251
	-----	-----	-----	-----	-----
Total comprehensive income					496,930
Cash dividends declared on common stock	--	--	--	(49,295)	(49,295)
Common stock repurchased	(13,168)	(94,187)	--	(316,808)	(424,163)
Issuance of common stock under stock incentive plans and related tax benefits	4,327	94,187	--	--	98,514
	-----	-----	-----	-----	-----
Balance, January 26, 2002	\$ 271,538	\$ --	\$ (6,755)	\$ 1,075,915	\$ 1,340,698
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

A. SUMMARY OF ACCOUNTING POLICIES

BASIS OF PRESENTATION: The consolidated financial statements of The TJX Companies, Inc. (TJX) include the financial statements of all of TJX's subsidiaries, including its foreign subsidiaries, all of which are wholly owned. All of TJX's activities are conducted within its subsidiaries and are consolidated in these financial statements. All intercompany transactions have been eliminated in consolidation. The notes pertain to continuing operations except where otherwise noted.

FISCAL YEAR: TJX's fiscal year ends on the last Saturday in January. The fiscal years ended January 26, 2002 (fiscal 2002), January 27, 2001 and January 29, 2000 each included 52 weeks.

USE OF ESTIMATES: The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities, at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. TJX considers the more significant accounting policies that involve management estimates and judgments to be those relating to inventory valuation, accounting for taxes and to reserves for discontinued operations. Actual results could differ from those estimates.

REVENUE RECOGNITION: TJX records revenue at the time of sale and receipt of merchandise by the customer, net of a reserve for estimated returns. TJX estimates returns based upon its historical experience.

CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS: TJX generally considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. TJX's investments are primarily high-grade commercial paper, institutional money market funds and time deposits with major banks. The fair value of cash equivalents approximates carrying value. During September 1999, TJX received 693,537 common shares of Manulife Financial Corporation (Manulife). The shares reflected ownership interest in the demutualized insurer due to policies held by TJX. These securities were recorded at market value upon receipt resulting in an \$8.5 million pre-tax gain. TJX classified the Manulife common shares as available-for-sale at January 29, 2000 and included them in other current assets on the balance sheets. During fiscal 2001, TJX sold the Manulife shares for \$9.2 million and realized a gain of \$722,000. Available-for-sale securities are stated at fair market value with unrealized gains or losses, net of income taxes, included as a component of accumulated other comprehensive income (loss). Gains or losses are included in net income when the securities are sold, disposed of or permanently impaired, resulting in a related reclassification adjustment to accumulated other comprehensive income (loss).

MERCHANDISE INVENTORIES: Inventories are stated at the lower of cost or market. TJX uses the retail method for valuing inventories on the first-in first-out basis. TJX almost exclusively utilizes a permanent markdown strategy and lowers the cost value of the inventory at the time the retail prices are lowered in its stores.

INTEREST: TJX's interest expense, net was \$25.6 million, \$22.9 million and \$7.3 million in fiscal years 2002, 2001 and 2000, respectively. Interest expense is presented net of interest income of \$15.0 million, \$11.8 million and \$13.1 million in fiscal years 2002, 2001 and 2000, respectively. TJX capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the related assets. TJX capitalized interest of \$222,000 and \$311,000 in fiscal 2002 and 2001, respectively. No interest was capitalized in fiscal 2000.

DEPRECIATION AND AMORTIZATION: For financial reporting purposes, TJX provides for depreciation and amortization of property by the use of the straight-line method over the estimated useful lives of the assets. Buildings are depreciated over 33 years, leasehold costs and improvements are generally amortized over the lease term (typically 10 years) or their estimated useful life, whichever is shorter, and furniture, fixtures and equipment are depreciated over 3 to 10 years. Depreciation and amortization expense for property was \$183.1 million for fiscal year 2002, \$169.1 million for fiscal year 2001, and \$154.2 million for fiscal year 2000. Amortization expense for property held under a capital lease was \$1.5 million in fiscal year 2002. Maintenance and repairs are charged to expense as incurred. Significant costs incurred for internally developed software are capitalized and amortized over three to five years. Upon retirement or sale, the cost of disposed assets and the related accumulated depreciation are eliminated and any gain or loss is included in net income. Debt discount and related issue expenses are amortized to interest expense over the lives of the related debt issues or to the first date the holders of the debt may request TJX to repurchase such debt. Pre-opening costs are expensed as incurred.

GOODWILL AND TRADENAME: Goodwill is primarily the excess of the purchase price incurred over the carrying value of the minority interest in TJX's former 83%-owned subsidiary acquired in fiscal 1990 and represents goodwill associated with the T.J. Maxx chain. In addition, goodwill includes the excess of cost over the estimated fair market value of the net assets of Winners acquired by TJX in fiscal 1991. Goodwill, net of amortization, totaled \$71.4 million and \$74.1 million as of January 26, 2002 and January 27, 2001, respectively, and is being amortized over 40 years on a straight-line basis. Annual amortization of goodwill was \$2.6 million in fiscal years 2002, 2001 and 2000. Cumulative amortization as of January 26, 2002 and January 27, 2001 was \$32.9 million and \$30.3 million, respectively.

Tradename is the value assigned to the name "Marshalls" as a result of TJX's acquisition of the Marshalls chain in fiscal 1996. The value of the tradename was determined by the discounted present value of assumed after-tax royalty payments, offset by a reduction for its pro-rata share of the total negative goodwill acquired. The final purchase price allocated to the tradename amounted to \$128.3 million. The tradename is being amortized over 40 years. Amortization expense was \$3.2 million for fiscal years 2002, 2001 and 2000. Cumulative amortization as of January 26, 2002 and January 27, 2001 was \$20.6 million and \$17.4 million, respectively.

Effective with the fiscal year ended January 25, 2003, TJX will no longer amortize goodwill or the Marshalls tradename due to a change in accounting for intangible assets as discussed under "New Accounting Standards" below.

IMPAIRMENT OF LONG-LIVED ASSETS: TJX periodically reviews the value of its property and intangible assets in relation to the current and expected operating results of the related business segments in order to assess whether there has been a permanent impairment of their carrying values. An impairment exists when the undiscounted cash flow of an asset is less than the carrying cost of that asset. Store by store impairment analysis is performed, at a minimum, on an annual basis. TJX recorded an impairment loss of \$3.1 million in fiscal 2001 as a component of the \$6.3 million estimated cost of closing its three T.K. Maxx stores in the Netherlands.

ADVERTISING COSTS: TJX expenses advertising costs as incurred. Advertising expense was \$128.5 million, \$121.8 million and \$114.7 million for fiscal years ended 2002, 2001 and 2000, respectively.

EARNINGS PER SHARE: All earnings per share amounts refer to diluted earnings per share unless otherwise indicated. All historical earnings per share amounts reflect the June 1998 two-for-one stock split.

FOREIGN CURRENCY TRANSLATION AND RELATED HEDGING ACTIVITY: TJX's foreign assets and liabilities are translated at the year-end exchange rate. Activity of the foreign operations that affect the statements of income and cash flows are translated at the average exchange rates prevailing during the year. A large portion of TJX's net investment in foreign operations is hedged with foreign currency forward contracts and swap agreements. The translation adjustments associated with the foreign operations and the related hedging instruments are included in shareholders' equity as a component of accumulated other comprehensive income (loss). Cumulative foreign currency translation adjustments, net of hedging activity, included in shareholders' equity amounted to losses of \$2.9 million and \$1.6 million as of January 26, 2002 and January 27, 2001, respectively.

Effective January 28, 2001, TJX implemented Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement, as amended, established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. This Statement requires that an entity recognize all derivatives as either assets or liabilities in the statements of financial position and measure those instruments at fair value. This Statement also requires that companies recognize adjustments to the fair value of derivatives in earnings when they occur, if they do not qualify for hedge accounting. For derivatives that qualify for hedge accounting, changes in the fair value of the derivatives can be recognized currently in earnings, along with an offsetting adjustment against the basis of the underlying hedged item, or can be deferred in accumulated other comprehensive income.

This Statement affects the accounting for TJX's hedging contracts. As described in Note D, TJX periodically enters into forward foreign currency exchange contracts to hedge certain merchandise purchase commitments, intercompany balances, including intercompany debt, and to hedge its net investment in and between foreign subsidiaries. Through January 27, 2001, TJX applied hedge accounting to these contracts. Upon adoption of SFAS No. 133, TJX prospectively elected not to apply the hedge accounting rules to its merchandise purchase commitment and intercompany balance (excluding intercompany debt) related contracts, even though these contracts effectively function as an economic hedge of the underlying exposure. Thus, the changes in fair value of the merchandise purchase commitment and intercompany balance (excluding intercompany debt) related contracts affect earnings in the period of change with no offset for marking the underlying exposure to fair value. TJX continues to apply hedge accounting to its net investment hedge contracts, and changes in fair value of these contracts, as well as gains and losses upon settlement, are recorded in accumulated other comprehensive income offsetting changes in the

cumulative foreign translation adjustments of TJX's foreign divisions. TJX also applies hedge accounting to its intercompany debt hedge contracts and changes in fair value of these contracts are recorded in the statement of income and offset by marking the underlying item to fair value in the same period. Upon settlement, the realized gains and losses on these contracts are offset by the realized gains and losses of the underlying item in the statement of income.

At implementation of SFAS No. 133, the fair value of all of TJX's hedge contracts amounted to a net asset of \$10.0 million, most of which related to net investment hedge contracts. The carrying value of all hedging contracts before adoption was \$12.8 million. TJX also wrote off a net deferred credit of \$1.2 million related to premiums on existing contracts and thus recorded a charge to accumulated other comprehensive income for the cumulative effect of an accounting change of \$1.6 million effective January 28, 2001.

NEW ACCOUNTING STANDARDS: In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001, thereby eliminating use of the pooling-of-interests method. Goodwill will no longer be amortized but will be tested for impairment. Additionally, new criteria have been established to determine whether an acquired intangible asset should be recognized separately from goodwill. SFAS No. 142 addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. TJX is required to implement SFAS No. 142 for the fiscal year beginning January 27, 2002 and will no longer amortize goodwill or the Marshalls tradename, which has an indefinite life, but will periodically test them for impairment. During fiscal 2002, amortization of goodwill and tradename amounted to \$2.6 million and \$3.2 million, respectively.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets." The provisions of SFAS No. 143 apply to all entities that incur obligations associated with the retirement of tangible long-lived assets. SFAS No. 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002 and will become effective for TJX beginning in the first quarter of fiscal 2004. This accounting pronouncement is not expected to have a significant impact on TJX's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The objectives of SFAS No. 144 are to address the implementation of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and to develop a model for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001 and will become effective for TJX beginning in the first quarter of fiscal 2003. This accounting pronouncement is not expected to have a significant impact on TJX's financial position or results of operations.

RECLASSIFICATIONS: Certain amounts in prior years' financial statements have been reclassified for comparative purposes. The deferred income tax asset (liability) in the prior year's balance sheet and selected financial data has been reclassified into a current and non-current portion to be consistent with the current year's presentation.

B. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 31, 1999, TJX changed its method of accounting for layaway sales in compliance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," issued by the Securities and Exchange Commission during the fourth quarter of fiscal 2000. Under this accounting method, TJX defers recognition of a layaway sale and its related profit to the accounting period when the customer receives layaway merchandise. The cumulative effect of this change for periods prior to January 31, 1999 of \$5.2 million (net of income taxes of \$3.4 million), or \$.02 per share, was treated as a cumulative effect of accounting change in the consolidated statements of income. The accounting change has virtually no impact on annual sales and earnings in subsequent years. However, due to the seasonal influences of the business, the accounting change results in a shift of sales and earnings among quarterly periods.

C. LONG-TERM DEBT AND CREDIT LINES

The table below presents long-term debt, exclusive of current installments, as of January 26, 2002 and January 27, 2001. Capital lease obligations are separately presented in Note E.

IN THOUSANDS	JANUARY 26, 2002	JANUARY 27, 2001
	-----	-----
General corporate debt:		
Medium term notes, interest at 5.87% on \$15,000 maturing October 21, 2003 and interest at 7.97% on \$5,000 maturing September 20, 2004	\$ 20,000	\$ 20,000
7% unsecured notes, maturing June 15, 2005 (effective interest rate of 7.02% after reduction of the unamortized debt discount of \$47 and \$61 in fiscal 2002 and 2001, respectively)	99,953	99,939
7.45% unsecured notes, maturing December 15, 2009 (effective interest rate of 7.50% after reduction of unamortized debt discount of \$503 and \$567 in fiscal 2002 and 2001, respectively)	199,497	199,433
	-----	-----
Total general corporate debt	319,450	319,372
	-----	-----
Subordinated debt:		
Zero coupon convertible subordinated notes due February 13, 2021, after reduction of unamortized debt discount of \$164,907	352,593	--
	-----	-----
Total subordinated debt	352,593	--
	-----	-----
Long-term debt, exclusive of current installments	\$672,043	\$319,372
	=====	=====

The aggregate maturities of long-term debt, exclusive of current installments at January 26, 2002 are as follows:

IN THOUSANDS	LONG TERM DEBT

Fiscal Year	
2004	\$ 15,000
2005	5,000
2006	99,953
2007	--
Later years	552,090

Aggregate maturities of long-term debt, exclusive of current installments	\$672,043
	=====

The zero coupon convertible debt securities are included in "later years" and assumes that the note holders will not exercise the put option available to them in fiscal year 2005.

In February 2001, TJX issued \$517.5 million zero coupon convertible subordinated notes due in February 2021 and raised gross proceeds of \$347.6 million. The issue price of the notes represents a yield to maturity of 2% per year. Due to provisions of the first put option on February 13, 2002, TJX amortized the debt discount assuming a 1.5% yield for fiscal 2002. The notes are subordinated to all existing and future senior indebtedness of TJX. The notes are convertible into 8.5 million shares of common stock of TJX if the sale price of the common stock reaches specified thresholds, if the credit rating of the notes is below investment grade, if the notes are called for redemption or if certain specified corporate transactions occur. The holders have the right to require TJX to purchase the notes for \$369.0 million, \$391.7 million and \$441.3 million on February 13, 2004, 2007 and 2013, respectively. The repurchase amounts represent original purchase price plus accrued original issue discount. TJX may pay the purchase price in cash, Company stock, or a combination of the two. If the holders exercise this option, TJX expects to fund the payment with cash, financing from its short-term credit facility, new long-term borrowings or a combination thereof. At the first put date of February 13, 2002, no holders exercised the purchase option. In addition, if a change in control of TJX occurs on or before February 13, 2007, each holder may require TJX to purchase for cash, all or a portion of such holder's notes. TJX may redeem for cash all, or a portion of, the notes at any time on or after February 13, 2007 for the original purchase price plus accrued original issue discount. TJX used the proceeds to fund its accelerated store roll-out program, investment in its distribution center network, its common stock repurchase program and for general corporate purposes.

In December 1999, TJX issued \$200 million of 7.45% ten-year notes. The proceeds were used for general corporate purposes, including TJX's stock repurchase program.

TJX periodically enters into financial instruments to manage its cost of borrowing. In December 1999, TJX entered into a rate-lock agreement to hedge the underlying treasury rate of the \$200 million ten-year notes, prior to their issuance. The cost of this agreement has been deferred and is being amortized to interest expense over the term of the notes and results in an effective rate of 7.60% on the debt.

In September 1997, TJX entered into a five-year \$500 million revolving credit facility. In addition, in July 2000, TJX entered into a \$250 million, 364-day revolving credit agreement which was renewed in July 2001. The agreements have similar terms which include financial covenants requiring that TJX maintain specified fixed charge coverage and leverage ratios. The Company's ability to borrow under the agreements is not limited by its debt rating level. The revolving credit facilities are used as backup to TJX's commercial paper program. As of January 26, 2002, all \$750 million of the revolving credit facilities were available for use. Interest is payable on borrowings at rates equal to or less than prime. The maximum amount of TJX's U.S. short-term borrowings was \$39 million, \$330 million and \$108 million in fiscal 2002, 2001 and 2000, respectively. The weighted average interest rate on TJX's U.S. short-term borrowings was 5.32%, 6.82% and 6.06% in fiscal 2002, 2001 and 2000, respectively. TJX does not have any compensating balance requirements under these arrangements. Subsequent to the fiscal year ended January 26, 2002, TJX entered into new revolving credit agreements, see Note P for additional information.

TJX also has a C\$20 million credit line for its Canadian subsidiary that had been fully utilized during fiscal 2002. The maximum amount outstanding under all of its Canadian credit lines in prior years was C\$15.2 million in fiscal 2001 and C\$19.2 million in fiscal 2000. Interest on its current credit line is at the Canadian prime lending rate.

D. FINANCIAL INSTRUMENTS

Effective January 28, 2001, TJX implemented Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement requires that all derivatives be recorded on the balance sheets at fair value. See Note A for a description of TJX's foreign currency translation and related hedging activity policy.

TJX periodically enters into forward foreign currency exchange contracts to obtain an economic hedge on firm U.S. dollar and Euro merchandise purchase commitments made by its foreign subsidiaries. The contracts outstanding at January 26, 2002, cover certain commitments for the first and second quarters of fiscal 2003. TJX elected not to apply hedge accounting rules to these contracts and therefore includes the change in the market value of these derivatives in current earnings as a component of selling, general and administrative expenses.

TJX enters forward foreign currency exchange contracts to obtain an economic hedge on certain foreign intercompany payables, primarily license fees, for which TJX elected not to apply hedge accounting rules. Such contracts outstanding at January 26, 2002 cover intercompany payables for the first quarter of fiscal 2003. The change in fair value of these contracts is reflected in current period earnings as a component of selling, general and administrative expenses.

TJX also has entered into several foreign currency forward and swap contracts in both Canadian dollars and British pound sterling and accounts for them as a hedge of the investment in and between our foreign subsidiaries. Foreign exchange gains and losses as well as fair value adjustments on the agreements are recognized in other comprehensive income, thereby offsetting translation adjustments associated with TJX's investment in its foreign subsidiaries.

The change in fair value of the contracts designated as a hedge of the net investment in foreign operations resulted in a gain of \$8.2 million that was credited to other comprehensive income in fiscal 2002. The change in the cumulative foreign currency translation adjustment resulted in a loss of \$8.2 million that was also included as a component of other comprehensive income in fiscal 2002.

TJX also enters derivative contracts, designated as fair value hedges, to hedge certain foreign intercompany payables, primarily debt and related interest. The net impact of hedging activity and these intercompany payables resulted in a loss of \$220,000 which is reflected in fiscal 2002 earnings as a component of selling, general and administrative expenses.

The fair market value of the derivatives are classified as assets or liabilities, current and non-current, depending on the valuation results and the maturity of the individual contracts. At January 26, 2002, the majority of the contracts were included in prepaid expenses and other current assets.

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Following is a summary of TJX's derivative financial instruments and related fair values, outstanding at January 26, 2002:

IN THOUSANDS	PAY	RECEIVE	BLENDED CONTRACT RATE	FAIR VALUE AT JANUARY 26, 2002
Fair value hedges:				
Intercompany balances, primarily debt and related interest	C\$ 128,207 L 27,415	U.S.\$79,830 U.S.\$38,639	0.6227 1.4094	U.S.\$ 226 U.S.\$ 633
Net asset hedges:	C\$ 78,532 L 50,125 L 32,048	U.S.\$53,667 U.S.\$75,846 C\$ 73,084	0.6834 1.5131 2.2805	U.S.\$ 3,844 U.S.\$ 6,029 U.S.\$ 478
Hedge accounting not elected:				
Merchandise purchase commitments and intercompany balances, primarily license fees	C\$ 85,793 L 9,245 L 5,561	U.S.\$54,140 U.S.\$13,200 EURO\$ 9,000	0.6311 1.4278 1.6184	U.S.\$ 855 U.S.\$ 208 U.S.\$ (41)

TJX's forward foreign currency exchange and swap contracts require TJX to make payments of certain foreign currencies for receipt of U.S. dollars, Canadian dollars or Euros. All contracts excepting the net asset hedges mature during fiscal 2003. The British pound net asset hedges mature during fiscal 2003, the Canadian dollar net asset hedges have maturities from fiscal 2003 to fiscal 2005.

The counterparties to the forward exchange contracts and swap agreements are major international financial institutions, and the contracts contain rights of offset which minimize TJX's exposure to credit loss in the event of nonperformance by one of the counterparties. TJX does not require counterparties to maintain collateral for these contracts; however, TJX periodically monitors its position and the credit ratings of the counterparties and does not anticipate losses resulting from the nonperformance of these institutions.

The fair value of TJX's general corporate debt, including current installments, is estimated using discounted cash flow analysis based upon TJX's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of TJX's zero coupon convertible subordinated notes is estimated by obtaining market quotes. The fair value of general corporate debt, including current installments, at January 26, 2002 approximates the carrying value of \$319.5 million. The fair value of the zero coupon convertible subordinated notes is \$399.4 million versus a carrying value of \$352.6 million. These estimates do not necessarily reflect certain provisions or restrictions in the various debt agreements which might affect TJX's ability to settle these obligations.

E. COMMITMENTS

TJX is committed under long-term leases related to its continuing operations for the rental of real estate and fixtures and equipment. Most of TJX's leases are store operating leases with a ten-year initial term and options to extend for one or more five-year periods. Certain Marshalls leases, acquired in fiscal 1996, had remaining terms ranging up to twenty-five years. Leases for T.K. Maxx are generally for fifteen to twenty-five years with ten-year kick-out options. Many of the leases contain escalation clauses and early termination penalties. In addition, TJX is generally required to pay insurance, real estate taxes and other operating expenses including, in some cases, rentals based on a percentage of sales.

Following is a schedule of future minimum lease payments for continuing operations as of January 26, 2002:

IN THOUSANDS	CAPITAL LEASE	OPERATING LEASES
Fiscal Year		
2003	\$ 3,726	\$ 477,679
2004	3,726	451,234
2005	3,726	415,572
2006	3,726	372,335
2007	3,726	332,016
Later years	34,123	1,477,248
Total future minimum lease payments	52,753	\$ 3,526,084
Less amount representing interest	21,173	
Net present value of minimum capital lease payments	\$31,580	

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The capital lease commitments relate to a 283,000 square foot addition to TJX's home office facility. Rental payments commenced June 1, 2001, and TJX recognized a capital lease asset and related obligation equal to the present value of the lease payments of \$32.6 million.

The rental expense under operating leases for continuing operations amounted to \$446.6 million, \$390.6 million and \$352.6 million for fiscal years 2002, 2001 and 2000, respectively. Rent expense includes contingent rent and is net of sublease income, both of which are immaterial. The total net present value of TJX's minimum operating lease obligations approximates \$2,493.1 million as of January 26, 2002, including a current portion of \$295.3 million.

TJX had outstanding letters of credit totaling \$23.9 million as of January 26, 2002 and \$31.6 million as of January 27, 2001. Letters of credit are issued by TJX primarily for the purchase of inventory.

F. STOCK COMPENSATION PLANS

TJX has a stock incentive plan under which options and other stock awards may be granted to its directors, officers and key employees. This plan has been approved by TJX's shareholders and all stock compensation awards, except for the awards made under a deferred stock compensation plan for its outside directors discussed below, are made under this plan. The Stock Incentive Plan, as amended with shareholder approval, provides for the issuance of up to 54.7 million shares with 16.0 million shares available for future grants as of January 26, 2002. In June 2001, shareholders approved an amendment to the Stock Incentive Plan to provide for grants to directors and suspended future grants of options with respect to the 38,000 shares reserved under the former Directors' Stock Option Plan at January 27, 2001.

Under these stock option plans, TJX has granted options for the purchase of common stock, generally within ten years from the grant date at option prices of 100% of market price on the grant date. Most options outstanding vest over a three-year period starting one year after the grant, and are exercisable in their entirety three years after the grant date. Options granted to directors become fully exercisable one year after the date of grant.

A summary of the status of TJX's stock options and related Weighted Average Exercise Prices (WAEP) is presented below (shares in thousands):

	FISCAL YEAR ENDED					
	JANUARY 26, 2002		JANUARY 27, 2001		JANUARY 29, 2000	
	SHARES	WAEP	SHARES	WAEP	SHARES	WAEP
Outstanding at beginning of year	14,037	\$ 19.69	11,832	\$ 17.06	10,105	\$ 12.04
Granted	5,371	34.95	5,178	20.75	3,164	29.26
Exercised	(4,216)	15.94	(2,724)	9.85	(1,275)	7.13
Forfeitures	(380)	24.54	(249)	24.59	(162)	20.52
Outstanding at end of year	14,812	26.19	14,037	19.69	11,832	17.06
Options exercisable at end of year	5,797	\$ 20.40	5,880	\$ 15.98	5,980	\$ 10.77

TJX realizes an income tax benefit from the exercise of stock options which results in a decrease in current income taxes payable and an increase in additional paid-in capital. Such benefits amounted to \$30.6 million, \$15.9 million and \$11.7 million for the fiscal years ended January 26, 2002, January 27, 2001 and January 29, 2000, respectively.

TJX has adopted the disclosure-only provisions of the Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," and continues to apply the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," in accounting for compensation expense under its stock option plans. TJX grants options at fair market value on the date of the grant; accordingly, no compensation expense has been recognized for the stock options issued during fiscal years 2002, 2001 or 2000. Compensation expense determined in accordance with SFAS No. 123, net of related income taxes, would have amounted to \$27.8 million, \$19.2 million and \$12.9 million for fiscal 2002, 2001 and 2000, respectively. Income from continuing operations before cumulative effect of accounting change, net income and related earnings per share amounts, presented on a pro forma basis, are as follows:

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS	UNAUDITED PRO FORMA FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Income from continuing operations before cumulative effect of accounting change	\$ 512,598	\$ 518,837	\$ 513,862
Per diluted share	\$ 1.84	\$ 1.79	\$ 1.62
Net income	\$ 472,598	\$ 518,837	\$ 508,708

Per diluted share

\$ 1.70 \$ 1.79 \$ 1.60

For purposes of applying the provisions of SFAS No. 123 for the pro forma calculations, the fair value of each option grant issued during fiscal 2002, 2001 and 2000 is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of .5% in fiscal 2002, 1% in fiscal 2001 and 2000, expected volatility of 46%, 48%, and 46% in fiscal 2002, 2001 and 2000, respectively, a risk-free interest rate of 5.0% in fiscal 2002, 5.2% in fiscal 2001 and 6.4% in fiscal 2000, and expected holding periods of six years in all fiscal periods. The weighted average fair value of options granted during fiscal 2002, 2001 and 2000 was \$16.92, \$10.07 and \$14.38 per share, respectively.

The following table summarizes information about stock options outstanding as of January 26, 2002 (shares in thousands):

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	SHARES	WEIGHTED AVERAGE REMAINING CONTRACT LIFE	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
\$ 2.5625 - \$ 6.3125	363	2.7 Years	\$ 4.73	363	\$ 4.73
6.3126 - \$10.6875	813	4.9 Years	9.93	813	9.93
\$10.6876 - \$14.4688	489	5.6 Years	14.44	489	14.44
\$14.4689 - \$21.7500	5,250	8.2 Years	20.93	2,396	21.15
\$21.7501 - \$30.5000	2,576	7.6 Years	29.22	1,736	29.21
\$30.5001 - \$34.9500	5,321	9.6 Years	34.95	-	N/A
Total	14,812	8.2 Years	\$26.19	5,797	\$ 20.40

Due to the events of September 11, TJX modified certain option grants granted to the associates lost in the tragedy. Unvested awards were vested, and the families were allowed to realize the full economic benefit of the original grants in addition to other benefits granted to the families. The Company recorded additional compensation expense related to these option grants and benefit modifications. The Company does not typically modify awards after the date of grant.

TJX was subject to income statement charges for changes in the fair market value of its common stock due to a special executive deferred compensation award, granted in fiscal 1998 under the Stock Incentive Plan, that was initially denominated in shares of TJX common stock. TJX recorded compensation expense of \$1.1 million in fiscal 2000 due to the increase in market value of the shares of TJX. During fiscal 2000, all of the shares were denominated into other investments. TJX separately transferred funds to a trust in an amount equal to the value of the new investment elections at the time such elections were made by the executive. Thus, deferred compensation obligation adjustments due to the change in the executive's deferred compensation account were offset by similar amounts due to gains or losses on the trust assets. During July 2001, the assets in the trust were sold and the proceeds were distributed to the executive in settlement of the deferred obligation. The trust assets were included in other current assets on the balance sheet as of January 27, 2001.

TJX has also issued restricted stock and performance-based stock awards under the Stock Incentive Plan. Restricted stock awards are issued at par value, or at no cost, and have restrictions which generally lapse over three years from date of grant. Performance-based shares have restrictions that generally lapse over one to three years when and if specified criteria are met. The market value in excess of cost is charged to income ratably over the period during which these awards vest. Such pre-tax charges amounted to \$2.7 million, \$1.4 million and \$1.1 million in fiscal years 2002, 2001 and 2000, respectively. The market value of the awards is determined at date of grant for restricted stock awards and at the date shares are earned for performance-based awards.

There has been a combined total of 225,000 shares, 135,000 shares and 131,480 shares for deferred, restricted and performance-based awards issued in the fiscal years ended January 2002, 2001 and 2000, respectively. No shares were forfeited during the fiscal year ended January 26, 2002; there were 33,000 and 3,000 shares forfeited during the fiscal years ended January 2001 and 2000, respectively. The weighted average market value per share of these stock awards at grant/earned date was \$30.00, \$29.60 and \$29.55 for fiscal 2002, 2001 and 2000, respectively.

TJX maintains a deferred stock compensation plan for its outside directors. Deferred share awards valued at \$10,000 are issued annually to each outside director. Currently, there are 20,827 deferred shares outstanding; actual shares will be issued at retirement. TJX has 87,638 shares held in treasury from which such shares will be issued.

G. CAPITAL STOCK AND EARNINGS PER SHARE

CAPITAL STOCK: During fiscal 2001, TJX completed a \$750 million stock repurchase program and announced a new multi-year, \$1 billion stock repurchase program. These stock repurchase programs followed two separate \$250 million stock repurchase programs in fiscal 1999 and 1998. TJX had cash expenditures, under all of its programs, of \$424.2 million, \$444.1 million and \$604.6 million in fiscal 2002, 2001 and 2000, respectively, funded primarily by excess cash generated from operations. The total common shares repurchased and retired amounted to 13.2 million shares in fiscal 2002, 22.2 million in fiscal 2001 and 23.6 million in fiscal 2000. As of January 26, 2002, TJX has repurchased and retired 32.7 million shares of its common stock at a cost of \$805.8 million under the current \$1 billion stock repurchase program.

TJX is authorized to issue up to 5 million shares of preferred stock, par value \$1. There was no preferred stock issued or outstanding at January 26, 2002.

EARNINGS PER SHARE: The following schedule presents the calculation of basic and diluted earnings per share for income from continuing operations:

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Basic earnings per share:			
Income from continuing operations before cumulative effect of accounting change	\$ 540,397	\$ 538,066	\$ 526,822
Weighted average common stock outstanding for basic earnings per share calculation	275,323,741	287,440,637	314,577,145
Basic earnings per share	\$ 1.96	\$ 1.87	\$ 1.67
Diluted earnings per share:			
Income from continuing operations before cumulative effect of accounting change	\$ 540,397	\$ 538,066	\$ 526,822
Weighted average common stock outstanding for basic earnings per share calculation	275,323,741	287,440,637	314,577,145
Assumed exercise of stock options and awards	2,810,121	1,755,591	3,213,619
Weighted average common shares for diluted earnings per share calculation	278,133,862	289,196,228	317,790,764
Diluted earnings per share	\$ 1.94	\$ 1.86	\$ 1.66

The weighted average common shares for the diluted earnings per share calculation exclude the incremental effect related to outstanding stock options, the exercise price of which is in excess of the related fiscal years' average price of TJX's common stock. Such options are excluded because they would have an antidilutive effect. These options amounted to 5.3 million as of January 26, 2002, 4.6 million as of January 27, 2001 and 3.1 million as of January 29, 2000. The 8.5 million shares attributable to the zero coupon convertible debt were also excluded from the diluted earnings per share calculation because criteria for conversion had not been met during the fiscal year.

H. INCOME TAXES

The provision for income taxes includes the following:

IN THOUSANDS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Current:			
Federal	\$ 236,070	\$ 272,075	\$ 255,277
State	44,228	51,217	49,836
Foreign	18,119	27,819	20,212
Deferred:			
Federal	28,133	(22,359)	3,885
State	4,071	(2,269)	1,984
Foreign	3,026	393	(4,079)
Provision for income taxes	\$ 333,647	\$ 326,876	\$ 327,115

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In addition to the above provision, in fiscal 2002 TJX also recorded deferred income tax benefits of \$26.5 million as a component of the \$40 million after-tax charge relating to discontinued operations (see Note L).

TJX had a net deferred tax asset as follows:

IN THOUSANDS	JANUARY 26, 2002	JANUARY 27, 2001
	-----	-----
Deferred tax assets:		
Loss on investment in foreign subsidiary	\$ --	\$ 7,013
Foreign net operating loss carryforward	14,546	17,998
Reserve for discontinued operations	35,277	10,129
Reserve for closed store and restructuring costs	5,824	6,443
Pension, postretirement and employee benefits	34,493	53,487
Leases	21,076	19,455
Other	29,591	29,111
Valuation allowance	--	(3,396)
	-----	-----
Total deferred tax assets	140,807	140,240
	=====	=====
Deferred tax liabilities:		
Property, plant and equipment	21,143	17,211
Safe harbor leases	13,395	16,274
Tradename	42,873	44,140
Other	24,818	15,224
	-----	-----
Total deferred tax liabilities	102,229	92,849
	-----	-----
Net deferred tax asset	\$ 38,578	\$ 47,391
	=====	=====

The fiscal 2002 total net deferred tax asset is presented on the balance sheet as a current asset of \$12.0 million and a non-current asset of \$26.6 million. For fiscal 2001, these amounts are \$44.0 million and \$3.4 million, respectively. TJX has, for tax purposes, repatriated the current year's and all prior years' earnings of its Canadian subsidiary. All earnings of TJX's other foreign subsidiaries are indefinitely reinvested and no deferred taxes have been provided for on those earnings.

TJX has a United Kingdom operating loss carryforward of \$47 million that may be applied against future taxable income in the U.K., all of which has been recognized for financial reporting purposes. During fiscal 2002, TJX recognized \$2.3 million of tax benefits relating to the current years' operating loss in the U.K. The U.K. net operating loss does not expire under current tax law. Due to the closing of TJX's Netherlands operation during fiscal 2001, TJX recognized U.S. tax benefits associated with the write-off of its total investment in the Netherlands. TJX also has a Puerto Rico net operating loss carryforward of approximately \$1 million which was acquired in the Marshalls acquisition and expires in fiscal 2003. The valuation allowance in fiscal 2001 relates to TJX's Puerto Rico net operating losses that had not been recognized and subsequently expired.

TJX's worldwide effective income tax rate was 38.2% for the fiscal year ended January 26, 2002, 37.8% for the fiscal year ended January 27, 2001, and 38.3% for the fiscal year ended January 29, 2000. The difference between the U.S. federal statutory income tax rate and TJX's worldwide effective income tax rate is reconciled below:

	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27 2001	JANUARY 29, 2000
	-----	-----	-----
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
Effective state income tax rate	3.8	4.0	4.2
Impact of foreign operations	(.4)	(1.0)	(1.0)
All other	(.2)	(.2)	.1
	-----	-----	-----
Worldwide effective income tax rate	38.2%	37.8%	38.3%
	====	====	====

I. PENSION PLANS AND OTHER RETIREMENT BENEFITS

TJX has a non-contributory defined benefit retirement plan covering the majority of its full-time U.S. employees. Employees who have attained twenty-one years of age and have completed one year of service are covered under the plan. Benefits are based on compensation earned in each year of service. TJX also has an unfunded supplemental retirement plan which covers key employees of TJX and provides additional retirement benefits based on average compensation; and an unfunded postretirement medical plan which provides limited postretirement medical and life insurance benefits to employees who participate in TJX's retirement plan and who retire at age fifty-five or older.

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with ten or more years of service. TJX's funded defined benefit retirement plan assets are invested primarily in stock and bonds of U.S. corporations, excluding TJX stock, as well as various investment funds.

Presented below is financial information relating to TJX's funded defined benefit retirement plan and its unfunded supplemental pension plan (Pension) and its unfunded postretirement medical plan for the fiscal years indicated:

DOLLARS IN THOUSANDS	PENSION FISCAL YEAR ENDED		POST RETIREMENT MEDICAL FISCAL YEAR ENDED	
	JANUARY 26, 2002 ----	JANUARY 27, 2001 ----	JANUARY 26, 2002 ----	JANUARY 27, 2001 ----
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 177,361	\$ 140,010	\$ 24,762	\$ 18,529
Service cost	14,145	10,734	1,911	1,353
Interest cost	13,214	11,560	1,816	1,624
Participants' contributions	--	--	46	42
Amendments	--	1,080	--	--
Actuarial losses	22,465	22,564	1,639	4,376
Settlement	--	(1,141)	--	--
Benefits paid	(7,562)	(6,616)	(1,285)	(1,162)
Expenses paid	(633)	(830)	--	--
	-----	-----	-----	-----
Benefit obligation at end of year	\$ 218,990	\$ 177,361	\$ 28,889	\$ 24,762
	=====	=====	=====	=====
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 149,942	\$ 140,191	\$ --	\$ --
Actual return on plan assets	(9,805)	1,665	--	--
Employer contribution	48,619	15,532	1,239	1,120
Participants' contributions	--	--	46	42
Benefits paid	(7,562)	(6,616)	(1,285)	(1,162)
Expenses paid	(633)	(830)	--	--
	-----	-----	-----	-----
Fair value of plan assets at end of year	\$ 180,561	\$ 149,942	\$ --	\$ --
	=====	=====	=====	=====
Reconciliation of funded status:				
Benefit obligation at end of year	\$ 218,990	\$ 177,361	\$ 28,889	\$ 24,762
Fair value of plan assets at end of year	180,561	149,942	--	--
	-----	-----	-----	-----
Funded status - excess obligations	38,429	27,419	28,889	24,762
Unrecognized prior service cost	190	218	614	946
Unrecognized actuarial losses	53,022	11,554	2,033	394
	-----	-----	-----	-----
Net (asset) liability recognized	\$ (14,783)	\$ 15,647	\$ 26,242	\$ 23,422
	=====	=====	=====	=====
Amount recognized in the statements of financial position consists of:				
Net (asset) accrued liability	\$ (20,093)	\$ 12,215	\$ 26,242	\$ 23,422
Intangible asset	1,484	1,757	--	--
Reduction to accumulated other comprehensive income	3,826	1,675	--	--
	-----	-----	-----	-----
Net amount recognized	\$ (14,783)	\$ 15,647	\$ 26,242	\$ 23,422
	=====	=====	=====	=====
Weighted average assumptions:				
Discount rate	6.90%	7.41%	7.00%	7.50%
Expected return on plan assets	9.00%	9.00%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

The projected benefit obligation and accumulated benefit obligation of TJX's unfunded supplemental retirement plan was \$32.8 million and \$23.3 million, respectively, as of January 26, 2002 and \$23.8 million and \$18.2 million, respectively, as of January 27, 2001. The increase in the projected benefit obligation as of January 26, 2002 reflects actuarial losses due to a decrease in the discount rate for valuation purposes.

The portion of the net (asset) accrued liability attributable to TJX's unfunded supplemental retirement plan amounted to \$23.3 million at January 26, 2002 and \$18.2 million at January 27, 2001 and is included in other long-term liabilities on the balance sheets. The balance of the net amount recognized is a net asset relating to the funded defined benefit plan of \$38.1 million and \$2.6 million at January 26, 2002 and January 27, 2001, respectively. These net assets are included in prepaid and other current assets except for the long-term portion of \$21.1 million as of January 26, 2002,

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which is included in other assets on the balance sheets. TJX contributed aggregate cash contributions of \$48.6 million and \$15.5 million for fiscal 2002 and 2001, respectively, to the non-contributory defined benefit retirement plan and to fund current benefit and expense payments under the unfunded supplemental retirement plan.

For purposes of measuring the postretirement medical plan, a net 3.40% annual rate of increase in the per capita cost of covered health care benefits was assumed and is reduced by .75% over the next 4 years and to .15% after the next 28 years. These rates assume an initial secular health care trend rate of 12% reaching an ultimate level of 5% in fiscal 2008. The Company's annual trend rates are substantially lower than the secular trend rates due to the plans' \$3,000 per capita annual limit on medical benefits. An increase in the assumed health care cost trend rate of one percentage point for all future years would increase the accumulated postretirement benefit obligation at January 26, 2002 by about \$4.5 million and the total of the service cost and interest cost components of net periodic postretirement cost for fiscal 2002 by about \$663,000. Similarly, decreasing the trend rate by one percentage point for all future years would decrease the accumulated postretirement benefit obligation at January 26, 2002 by about \$3.8 million as well as the total of the service cost and interest cost components of net periodic postretirement cost for fiscal 2002 by about \$557,000.

Following are the components of net periodic benefit cost:

IN THOUSANDS	PENSION FISCAL YEAR ENDED			POSTRETIREMENT MEDICAL FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Service cost	\$ 14,145	\$ 10,734	\$ 11,781	\$ 1,911	\$ 1,353	\$ 1,366
Interest cost	13,214	11,560	10,768	1,816	1,624	1,430
Expected return on plan assets	(13,274)	(12,783)	(11,060)	--	--	--
Amortization of transition obligation	75	75	75	--	--	--
Amortization of prior service cost	164	164	87	332	332	332
Recognized actuarial (gains) losses	1,989	(1,085)	415	--	(185)	--
Net periodic benefit cost	\$ 16,313	\$ 8,665	\$ 12,066	\$ 4,059	\$ 3,124	\$ 3,128

Net pension expense for fiscal 2002 reflects an increase in service cost attributable to the change in assumption regarding mortality. In addition, expense for fiscal 2002 includes amortization of deferred actuarial losses while expense for fiscal 2001 had amortization of deferred actuarial gains. This change in amortization is the result of accumulated losses due to a reduction in the discount rate, lower than expected asset performance and a change in the mortality assumption.

During the fiscal year ended January 29, 2000, TJX and an executive officer entered into an agreement whereby the officer waived his right to benefits under TJX's unfunded supplemental retirement plan in exchange for TJX's funding of a split-dollar life insurance policy. The exchange was accounted for as a settlement and TJX incurred a \$1.5 million settlement loss, which was primarily the recognition of a portion of the deferred losses under the plan. During fiscal 2001, TJX entered into a similar arrangement with another officer who waived the right to a portion of his benefits under the unfunded supplemental retirement plan in exchange for TJX's funding of a split-dollar life insurance policy. TJX recognized a settlement loss of \$224,000 in fiscal 2001 due to this exchange. The benefit exchanges were designed so that the after-tax cash expenditures by TJX on the split-dollar policies are substantially equivalent, on a present value basis, to the after-tax cash expenditures TJX would have incurred under the unfunded supplemental retirement plan.

TJX also sponsors an employee savings plan under Section 401(k) of the Internal Revenue Code for all eligible U.S. employees. As of December 31, 2001, assets under the plan totaled \$337.0 million and are invested in a variety of funds. Employees may contribute up to 50% of eligible pay. TJX matches employee contributions, up to 5% of eligible pay, at rates ranging from 25% to 50% based upon the Company's performance. TJX contributed \$6.2 million in fiscal 2002, \$5.8 million in fiscal 2001 and \$6.2 million in fiscal 2000 to the 401(k) plan. Employees are restricted from investing employee contributions into the TJX stock fund option in the 401(k) plan. Employees may elect to invest only 50% or less of the Company's contribution in the TJX stock fund; the TJX stock fund has no other trading restrictions. The TJX stock fund represents 4.8%, 3.4% and 2.5% of plan investments at December 31, 2001, 2000 and 1999, respectively.

During fiscal 1999, TJX established a nonqualified savings plan for certain U.S. employees. TJX matches employee contributions at various rates which amounted to \$193,000 in fiscal 2002, \$163,000 in fiscal 2001 and \$464,000 in fiscal 2000. TJX transfers employee withholdings and the related company match to a separate trust designated to fund the future obligations. The trust assets, which are invested in a variety of mutual funds, are included in other assets on the balance sheets.

In addition to the plans described above, TJX also maintains retirement/deferred savings plans for all eligible associates at its foreign subsidiaries. TJX contributed for these plans \$1.1 million, \$1.2 million and

\$682,000 in fiscal years 2002, 2001 and 2000, respectively.

THE TJX COMPANIES, INC.

J. ACCRUED EXPENSES AND OTHER LIABILITIES, CURRENT AND LONG-TERM

The major components of accrued expenses and other current liabilities are as follows:

IN THOUSANDS	JANUARY 26, 2002 -----	JANUARY 27, 2001 -----
Employee compensation and benefits, current	\$116,178	\$133,877
Rent, utilities, and occupancy, including real estate taxes	74,186	71,305
Federal and state income taxes payable	41,950	42,192
Insurance, advertising and all other	319,906	296,640
	-----	-----
Accrued expenses and other current liabilities	\$552,220	\$544,014
	=====	=====

The major components of other long-term liabilities are as follows:

IN THOUSANDS	JANUARY 26, 2002 -----	JANUARY 27, 2001 -----
Employee compensation and benefits, long-term	\$ 76,553	\$ 68,379
Reserve for store closing and restructuring	12,131	16,792
Reserve related to discontinued operations	87,284	25,512
Rental step-up and other long-term liabilities	61,688	54,757
	-----	-----
Other long-term liabilities	\$237,656	\$165,440
	=====	=====

Activity related to the reserves for store closing and restructuring and discontinued operations are detailed in Notes K and L, respectively.

K. RESERVES FOR STORE CLOSING AND RESTRUCTURING

TJX's store closing and restructuring reserve relates primarily to a restructuring plan in connection with TJX's acquisition of Marshalls in November 1995. This reserve, which was initially established at that time and was subsequently adjusted, included the cost of closing 32 T.J. Maxx stores and the cost of closing 70 Marshalls stores and other Marshalls facilities. The T.J. Maxx closing costs were charged to operations while the costs associated with Marshalls were a component of the allocation of the purchase price. This reserve also includes activity relating to the closing of three T.K. Maxx stores in the Netherlands as well as several HomeGoods stores.

Following is a summary of activity in the store closing and restructuring reserve:

IN THOUSANDS	FISCAL YEAR ENDED -----		
	JANUARY 26, 2002 -----	JANUARY 27, 2001 -----	JANUARY 29, 2000 -----
Balance at beginning of year	\$ 16,792	\$ 15,731	\$ 44,598
Additions to the reserve	--	3,109	--
Reserve adjustments:			
Adjust Marshalls restructuring reserve	--	--	(3,000)
Adjust T.J. Maxx store closing reserve	--	--	(300)
Adjust T.K. Maxx store closing reserve	(514)	--	--
Charges against the reserve:			
Lease related obligations	(3,941)	(1,922)	(23,734)
All other charges	(206)	--	--
Net activity relating to HomeGoods closings	--	(126)	(1,833)
	-----	-----	-----
Balance at end of year	\$ 12,131	\$ 16,792	\$ 15,731
	=====	=====	=====

The remaining balance in the store closing and restructuring reserve as of January 26, 2002 of \$12.1 million is primarily for the estimated cost of the future lease obligations of the closed stores. The estimates and assumptions used in developing the remaining reserve requirements are subject to change; however, TJX believes the reserve is adequate for these obligations. The use of the reserve will reduce operating cash flows in varying amounts over the next ten to fifteen years as the related leases reach their expiration dates or are settled. TJX believes future spending will not have a material impact on its future annual cash flows or financial condition.

L. DISCONTINUED OPERATIONS RESERVE AND RELATED CONTINGENT LIABILITIES

TJX also has a reserve for future obligations relating to House2Home, Inc., Zayre Stores and Hit or Miss, all of which were previously owned by TJX. The reserves were established at various times, either when the operation was disposed of or subsequent to the disposition, when the operation suffered significant financial distress. These reserves reflect the estimated cost to TJX of obligations relating to guarantees on certain property leases of these operations.

On November 7, 2001, House2Home, Inc. filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and subsequently announced its intention to liquidate the business. House2Home (formerly known as Waban, Inc. and HomeBase, Inc.) was spun-off by TJX, along with BJ's Wholesale Club in 1989. In 1997, House2Home spun-off BJ's Wholesale Club, Inc., and BJ's Wholesale Club, Inc. agreed to indemnify TJX for all liabilities relating to the House2Home leases with respect to the period through January 31, 2003, and 50% of such liabilities thereafter. As a result of House2Home's bankruptcy filing, TJX recorded an estimated after-tax charge of \$40 million (net of income taxes of \$27 million), or \$.14 per share, for the present value of the potential contingent lease obligations associated with up to 41 House2Home locations that TJX had guaranteed. TJX assumed a 6.5% interest rate for purposes of calculating the present value of the estimated lease obligations. The charge was recorded in the third quarter ending October 27, 2001 as a loss relating to discontinued operations. If TJX were liable on all 41 of the leases, the total discounted present value after-tax cost, without reflecting any mitigating factors, would be approximately \$64.6 million, net of the indemnification by BJ's Wholesale Club, Inc., versus the \$40 million charge TJX recorded. The number and cost of the lease obligations for which TJX may have liability will be reduced by lease terminations, expirations, subletting, assignments, buyouts, lease modifications and other actions. TJX believes that its reserve appropriately reflects these possible outcomes and that any contingent liability for these leases will not have a material adverse effect on its financial condition, operating results or cash flows.

On August 20, 2001, Ames Department Stores, Inc. filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and is reorganizing. In 1988, TJX completed the sale of its former Zayre Stores division to Ames. Ames emerged from a prior bankruptcy under a plan of reorganization in 1992. TJX is obligated on leases for eight properties that reverted back to it in this earlier reorganization. All of these properties have been subleased which mitigates TJX's liability under the leases. The present value of these eight leases, discounted at 6.5% and without mitigation, is approximately \$16 million on a pre-tax basis. Under the current reorganization to date, Ames has rejected an additional five leases for which TJX has or may have liability. The present value of these five leases, discounted at 6.5% and without mitigation, is approximately \$12 million on a pre-tax basis. TJX's reserve balance relating to Ames is approximately \$21 million. The reserve balance reflects the subleasing arrangements already in place and assumes mitigating factors will also reduce costs TJX may incur with respect to the other five leases. In addition to these 13 leases, TJX is or may be contingently liable on approximately 60 to 90 leases of former Zayre stores, none of which have been rejected by Ames to date. TJX believes that any additional future liability with respect to these leases will be minimal. TJX believes that its reserve for discontinued operations is adequate to meet the costs it may incur with respect to the Ames leases and that its contingent liability for these leases will not have a material adverse effect on its financial condition, operating results or cash flows.

Contingent obligations with respect to leases of TJX's former Hit or Miss division, which filed for bankruptcy and liquidated, have been substantially resolved.

The balance in the reserve and the activity for the last three fiscal years is presented below. The addition to the reserve in fiscal 2002 relates to House2Home, Inc. The charges against the reserve during the past three years relate to the lease related obligations of the Zayre and Hit or Miss locations.

IN THOUSANDS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Balance at beginning of year	\$ 25,512	\$ 27,304	\$ 29,660
Additions to the reserve	66,528	--	--
Charges against the reserve:			
Lease related obligations	(4,090)	(1,621)	(2,150)
All other	(666)	(171)	(206)
Balance at end of year	\$ 87,284	\$ 25,512	\$ 27,304

THE TJX COMPANIES, INC.

TJX believes its current reserve is adequate for costs we may incur relating to the obligations associated with these former operations. Future spending against the discontinued operations reserve will reduce operating cash flows in varying amounts over the next ten to fifteen years, as leases reach termination dates or are settled. Charges against the reserve will likely be higher during the next several years due to House2Home, Inc. related obligations. TJX believes future spending will not have a material impact on future annual cash flows or its financial condition.

TJX is also contingently liable on up to 25 leases of BJ's Wholesale Club, Inc. for which BJ's Wholesale Club, Inc. is primarily liable. TJX believes that the likelihood of any future liability to TJX, with respect to these leases, is remote.

M. LEGAL PROCEEDINGS

TJX is a defendant in four lawsuits pending in the California Superior Court, each seeking certification as a class action. The actions collectively allege that all exempt managers in T.J. Maxx, Marshalls and HomeGoods stores in California, including store managers and assistant store managers, were improperly classified as exempt from California overtime laws and seek recovery of overtime pay allegedly owed, penalties, punitive damages and injunctive relief. TJX believes that its managers are and were properly classified and does not believe that the outcome of this litigation will have any material adverse effect on its financial condition or results of operations.

N. SUPPLEMENTAL CASH FLOWS INFORMATION

The cash flows required to satisfy contingent obligations of the discontinued operations as discussed in Note L, are classified as a reduction in cash provided by continuing operations. There are no remaining operating activities relating to these operations.

TJX's cash payments for interest and income taxes and its non-cash investing and financing activities are as follows:

IN THOUSANDS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Cash paid for:			
Interest on debt	\$ 28,973	\$ 34,509	\$ 19,018
Income taxes	267,078	335,265	332,622
Change in accrued expenses due to:			
Stock repurchase	\$ --	\$ (9,275)	\$ (3,300)
Dividends payable	1,005	573	977
Non-cash investing and financing activities:			
Capital lease property addition and related obligation	\$ 32,572	\$ --	\$ --

Investing activities include advances TJX has made under a \$35 million construction loan agreement in connection with the expansion of its leased home office facility. Upon completion of the project in May 2001, the advances were converted into a term loan bearing interest of 7.25% per year, maturing December 31, 2015. The long-term portion of the loan amounting to \$34.3 million and \$28.9 million as of January 26, 2002 and January 27, 2001, respectively, is included in other assets on the balance sheets.

O. SEGMENT INFORMATION

The T.J. Maxx and Marshalls store chains are managed on a combined basis and are reported as the Marmaxx segment. The Winners chain, including HomeSense, operates exclusively in Canada, and T.K. Maxx operates in Europe, primarily the United Kingdom. Winners and T.K. Maxx accounted for 11% of TJX's net sales for fiscal 2002 and 11% of consolidated assets. All of TJX's other store chains operate in the United States with the exception of 14 stores operated in Puerto Rico by Marshalls which include two HomeGoods locations in a "Marshalls Mega-Store" format. TJX's target customer is the middle to upper-middle income shopper with the exception of the A.J. Wright stores which target a more moderate income customer. All of TJX's stores, with the exception of HomeGoods and HomeSense, sell apparel for the entire family with a limited offering of giftware and domestics. The HomeGoods and HomeSense stores offer home fashions and home furnishings.

THE TJX COMPANIES, INC.

TJX evaluates the performance of its segments based on pre-tax income before general corporate expense, goodwill amortization and interest (operating income). Presented below is selected financial information on TJX's business segments:

IN THOUSANDS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 29, 2000
Net sales:			
Marmaxx	\$ 8,863,053	\$ 8,228,468	\$ 7,779,826
Winners(1)	660,877	563,311	466,765
T.K. Maxx	520,529	389,062	298,659
HomeGoods	507,211	315,015	206,810
A.J. Wright	157,328	83,150	43,287
	<u>\$ 10,708,998</u>	<u>\$ 9,579,006</u>	<u>\$ 8,795,347</u>
Operating income (loss):			
Marmaxx	\$ 893,650	\$ 858,358	\$ 849,560
Winners(1)	59,140	71,055	54,914
T.K. Maxx(2)	12,972	10,867	6,462
HomeGoods	3,710	4,700	4,581
A.J. Wright	(11,843)	(15,012)	(14,444)
	<u>957,629</u>	<u>929,968</u>	<u>901,073</u>
General corporate expense(3)	55,335	39,513	37,182
Goodwill amortization	2,607	2,609	2,609
Interest expense, net	25,643	22,904	7,345
Income from continuing operations before income taxes and cumulative effect of accounting change	<u>\$ 874,044</u>	<u>\$ 864,942</u>	<u>\$ 853,937</u>
Identifiable assets:			
Marmaxx	\$ 2,174,345	\$ 2,050,775	\$ 1,916,230
Winners(1)	161,479	151,062	111,446
T.K. Maxx	248,695	176,916	138,914
HomeGoods	196,292	126,010	63,888
A.J. Wright	82,713	56,423	22,813
Corporate (primarily cash, goodwill and deferred taxes)	732,219	371,097	551,672
	<u>\$ 3,595,743</u>	<u>\$ 2,932,283</u>	<u>\$ 2,804,963</u>
Capital expenditures:			
Marmaxx	\$ 247,077	\$ 152,901	\$ 175,985
Winners(1)	32,052	18,775	11,412
T.K. Maxx	70,614	29,569	31,647
HomeGoods	79,380	30,245	10,819
A.J. Wright	20,321	25,515	8,706
	<u>\$ 449,444</u>	<u>\$ 257,005</u>	<u>\$ 238,569</u>
Depreciation and amortization:			
Marmaxx	\$ 150,506	\$ 145,987	\$ 136,898
Winners(1)	10,562	7,779	6,657
T.K. Maxx	13,080	10,292	8,552
HomeGoods	8,984	5,444	3,911
A.J. Wright	4,564	2,689	1,491
Corporate (including goodwill and debt discount)	16,385	3,590	2,957
	<u>\$ 204,081</u>	<u>\$ 175,781</u>	<u>\$ 160,466</u>

(1) Includes the assets/activity of the new HomeSense stores in fiscal 2002.

(2) The period ended January 27, 2001 includes a pre-tax charge of \$6.3 million for the estimated cost of closing three stores in the Netherlands.

(3) General corporate expense for the fiscal year ended January 26, 2002, includes incremental costs of approximately \$4 million for moving and occupancy costs related to TJX's home office, an increase in costs for retirement and medical benefits, and \$2 million related to September 11.

P. SUBSEQUENT EVENTS

On March 26, 2002, TJX entered into a \$350 million five-year, and a \$300 million 364-day revolving credit facilities, replacing its \$500 million five-year and \$250 million 364-day credit facilities. The new credit facilities have substantially the same terms and conditions as the credit facilities they replaced.

On April 10, 2002, TJX approved a two-for-one stock split to be distributed on May 8, 2002 to shareholders of record on April 25, 2002. The stock split will require retroactive restatement of all historical per share data in the first quarter ending April 27, 2002. Presented below are unaudited pro forma results for diluted earnings per share for income from continuing operations for the three fiscal years ended January 26, 2002 as well as the quarterly results for the last two fiscal years.

DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS	FISCAL YEAR ENDED		
	JANUARY 26, 2002	JANUARY 27, 2001	JANUARY 28, 2000
Income from continuing operations	\$ 540,397	\$ 538,066	\$ 526,822
Diluted earnings per share:			
As reported	\$ 1.94	\$ 1.86	\$ 1.66
Pro forma (unaudited)	\$.97	\$.93	\$.83

Quarterly unaudited pro forma diluted earnings per share for income from continuing operations:

QUARTER	FISCAL YEAR ENDED JANUARY 26, 2002		FISCAL YEAR ENDED JANUARY 27, 2001	
	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA
First	\$.44	\$.22	\$.44	\$.22
Second	\$.40	\$.20	\$.39	\$.19
Third	\$.54	\$.27	\$.56	\$.28
Fourth	\$.56	\$.28	\$.48	\$.24

The unaudited pro forma impact of the stock split on TJX's balance sheet as of January 26, 2002 would be to increase common stock by \$271.5 million with an offsetting reduction to retained earnings.

REPORT OF INDEPENDENT ACCOUNTANTS

[PRICEWATERHOUSECOOPERS LOGO]

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF THE TJX COMPANIES, INC.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of The TJX Companies, Inc. and its subsidiaries at January 26, 2002 and January 27, 2001, and the results of their operations and their cash flows for each of the three years in the period ended January 26, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note D to the consolidated financial statements, during the year ended January 26, 2002, The TJX Companies, Inc. changed its method of accounting for derivative financial instruments to conform to Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended.

February 26, 2002, except as
to Note P which is as of
April 10, 2002.

/s/PricewaterhouseCoopers LLP

REPORT OF MANAGEMENT

The financial statements and related financial information in this annual report have been prepared by management which is responsible for their integrity, objectivity and consistency. The financial statements were prepared in accordance with generally accepted accounting principles and necessarily include amounts which are based upon judgments and estimates made by management.

TJX maintains a system of internal controls designed to provide, at appropriate cost, reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and the accounting records may be relied upon for the preparation of financial statements. The system of controls includes the careful selection and training of associates, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. The accounting and control systems are continually reviewed, evaluated and where appropriate, modified to accommodate changing business conditions and the recommendations of TJX's internal auditors and the independent public accountants.

An Audit Committee, comprised of members of the Board of Directors who are neither officers nor employees of TJX, meets periodically with management, internal auditors and the independent public accountants to review matters relating to TJX's financial reporting, the adequacy of internal accounting controls and the scope and results of audit work. The Committee is responsible for reporting the results of its activities and for recommending the selection of independent auditors to the full Board of Directors. The internal auditors and the independent public accountants have free access to the Committee and the Board of Directors.

The financial statements have been examined by PricewaterhouseCoopers LLP, whose report appears separately. Their report expresses an opinion as to the fair presentation of the consolidated financial statements and is based on an independent examination performed in accordance with generally accepted auditing standards.

/s/Edmond J. English

Edmond J. English
President and Chief Executive Officer

/s/Donald G. Campbell

Donald G. Campbell
Executive Vice President - Finance and
Chief Financial Officer

February 26, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion contains forward-looking information and should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this report. Our actual results could differ materially from the results contemplated by these forward-looking statements due to various factors, including those discussed under the "Forward-Looking Information" section of this report.

RESULTS OF OPERATIONS

The following is a summary of the operating results of TJX at the consolidated level. This discussion is followed by an overview of operating results by segment. All references to earnings per share are diluted earnings per share unless otherwise indicated.

NET SALES: Our net sales increased 11.8% in fiscal 2002, to \$10.71 billion, over net sales of \$9.58 billion in fiscal 2001. Net sales in fiscal 2001 increased 8.9% over net sales of \$8.80 billion in fiscal 2000. The increase in our net sales for both years is attributable to new stores and an increase in same store sales. We define same store sales to be sales of those stores that were in operation for the entire year in both the current and prior year being compared. Consolidated same store sales increased 3% in fiscal 2002 and 2% in fiscal 2001. The increase in same store sales represented 25% of the total increase in net sales in fiscal 2002 and 23% of the increase in fiscal 2001. Our consolidated store count increased 11.5% in fiscal 2002 over the prior year as compared to a 10.0% increase in fiscal 2001 over fiscal 2000. The sales results for fiscal 2002 were achieved despite a difficult economy and a promotional retail environment. Our value-oriented business has traditionally held up well in more difficult economic and promotional environments. Additionally, the ability of Marmaxx (the combination of T.J. Maxx and Marshalls) to maintain inventory liquidity throughout the year was a key factor in our performance. We finished fiscal 2002 on a strong note with consolidated same store sales increasing 6% in the fourth quarter. In fiscal 2001, particularly at Marmaxx, sales results were adversely affected by unseasonable or severe weather conditions in certain areas of the country. In both years, non-apparel sales gains exceeded the increase in apparel sales. We expect to add a net of 184 stores and have planned a 3% increase in same store sales for fiscal 2003.

The following table sets forth our consolidated operating results as a percentage of net sales:

	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	75.9	75.0	74.8
Selling, general and administrative expenses	15.7	15.7	15.4
Interest expense, net	.2	.3	.1
Income from continuing operations before income taxes and cumulative effect of accounting change	8.2%	9.0%	9.7%

COST OF SALES, INCLUDING BUYING AND OCCUPANCY COSTS: Cost of sales, including buying and occupancy costs, as a percentage of net sales were 75.9% in fiscal 2002, 75.0% in fiscal 2001 and 74.8% in fiscal 2000. Almost two-thirds of the increase in this ratio in fiscal 2002 versus fiscal 2001, is due to a reduction in merchandise margin. The reduction in merchandise margin was primarily due to aggressive pricing on some merchandise categories during the third quarter in our rapid response to the fall-off in consumer confidence following the September 11 attacks and increased mark-downs we incurred at our smaller divisions due to inventory liquidity issues experienced at different times during the year. To a lesser extent, an increase in inventory shortage in fiscal 2002 contributed to the reduction in merchandise margin. This expense ratio in fiscal 2002 also increased by twenty basis points due to an increase in distribution costs as a result of our increased investment in our distribution network. The increase in this ratio in fiscal 2001 is primarily due to the slower sales growth in that year, distribution center capacity issues and an increase in our freight costs. Due to our liquid inventory position at all divisions at the end of fiscal 2002, we anticipate a slight improvement in this ratio for the coming year despite our continued investment in our distribution network.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES: Selling, general and administrative expenses as a percentage of net sales were 15.7% in both fiscal 2002 and fiscal 2001, and 15.4% in fiscal 2000. Selling, general and administrative expenses for fiscal 2002 increased approximately ten basis points due to increased costs for medical

and retirement benefits. Also, fiscal 2002 includes approximately \$4 million of incremental moving and occupancy costs in connection with the expansion of our main office and the consolidation of other office space, and we incurred \$2 million of costs in connection with the September 11 attacks, primarily for benefits to the families of our associates lost in the tragedy. Selling, general and administrative expenses for fiscal 2001 include a pre-tax charge of \$6.3 million for the estimated cost of closing T.K. Maxx stores operated in the Netherlands. The net effect of these items in each year, along with the beneficial impact of our increasing sales base, results in an expense ratio that is constant from year to year. The increase in this ratio in fiscal 2001 versus fiscal 2000 is due in part to the Netherlands closing costs in fiscal 2001 while fiscal 2000 includes a pre-tax gain of \$8.5 million, resulting from the receipt of common stock due to the demutualization of Manulife Financial Corporation. In addition, during fiscal 2001 Marmaxx incurred higher store payroll costs than in the prior year. We anticipate a slight increase in this ratio in the coming year due to further increases in medical and retirement benefit costs, offset in part by savings realized by the elimination of goodwill and tradename amortization (see discussion of SFAS No. 142 in Note A to the consolidated financial statements).

INTEREST EXPENSE, NET: Interest expense, net of interest income, was \$25.6 million in fiscal 2002, \$22.9 million in fiscal 2001 and \$7.3 million in fiscal 2000. Interest income was \$15.0 million in fiscal 2002 versus \$11.8 million in fiscal 2001 and \$13.1 million in fiscal 2000. The increase in net interest expense in fiscal 2002 is primarily due to the zero coupon convertible notes issued in February 2001 (see Note C to the consolidated financial statements) offset in part by reduced short-term borrowing costs. Debt issuance costs of \$7.9 million relating to the zero coupon convertible notes were amortized over twelve months due to the note holders' February 2002 put option. The increase in interest income in fiscal 2002 is due to higher cash balances as a result of the proceeds received from the issuance of the zero coupon convertible notes and from strong cash flows from operations during the year. The increase in net interest expense in fiscal 2001 is due to increased short-term borrowing levels over fiscal 2000. We anticipate a slight increase in net interest expense in the coming year due to lower rates of interest earned on our cash balances, offset in part by reduced interest costs associated with the zero coupon convertible notes.

INCOME TAXES: Our effective annual income tax rate was 38.2% in fiscal 2002, 37.8% in fiscal 2001 and 38.3% in fiscal 2000. The lower effective annual tax rate for fiscal 2001, as compared to fiscal 2002 and fiscal 2000, is due primarily to tax benefits recognized in connection with the use of the remaining United Kingdom net operating loss carryforward and tax benefits associated with the closing of the T.K. Maxx stores in the Netherlands. These tax benefits were all recognized in the fourth quarter of fiscal 2001. Based on existing tax laws and our operating plans for fiscal 2003, we anticipate an income tax rate for the coming year slightly below that of fiscal 2002.

INCOME FROM CONTINUING OPERATIONS/NET INCOME: Income from continuing operations was \$540.4 million in fiscal 2002, \$538.1 million in fiscal 2001, and \$526.8 million in fiscal 2000. Income from continuing operations per share was \$1.94 in fiscal 2002, versus \$1.86 in fiscal 2001 and \$1.66 in fiscal 2000. Net income for fiscal 2002 includes an after-tax charge of \$40 million, or \$.14 per share, due to discontinued operations for contingent lease obligations associated with House2Home, Inc. which was spun-off from TJX in 1989 together with BJ's Wholesale Club. Net income for fiscal 2000 includes a \$5.2 million charge, or \$.02 per share, for the cumulative effect of the accounting change for layaway sales. Net income, after reflecting the above items, was \$500.4 million, or \$1.80 per share, in fiscal 2002, \$538.1 million, or \$1.86 per share, in fiscal 2001 and \$521.7 million, or \$1.64 per share, in fiscal 2000. The percentage increase in earnings per share in all periods increased more than the related earnings as a result of the impact of our share repurchase program, which we plan to continue in the coming year.

SEGMENT INFORMATION

The following is a discussion of the operating results of our business segments. We consider each of our operating divisions to be a segment. More detailed information about our segments can be found in Note O to the consolidated financial statements.

MARMAXX:

DOLLARS IN MILLIONS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	\$8,863.1	\$8,228.5	\$7,779.8
Operating income	\$ 893.7	\$ 858.4	\$ 849.6
Operating margin	10.1%	10.4%	10.9%
Percent increase in same store sales	3%	2%	4%
Stores in operation at end of period	1,269	1,196	1,137

THE TJX COMPANIES, INC

Marmaxx had a 3% same store sales increase in fiscal 2002, which met our expectations and was higher than last year's 2% increase. The fiscal 2002 results were aided by a strong fourth quarter in which Marmaxx had a same store sales increase of 6% over the same quarter last year. Marmaxx maintained a liquid inventory position throughout the year, a key factor in this division's success in fiscal 2002. The operating margin for the full year decreased slightly reflecting more modest sales gains in the first half of the year, an aggressive pricing strategy in the third quarter when we rapidly responded to a general fall-off in consumer confidence following the September 11 attacks, and to a lesser extent, an increase in inventory shortage recorded in the fourth quarter. Despite the higher inventory shortage, fourth quarter operating margins increased over the prior year's fourth quarter. The new store openings in fiscal 2002 for both T.J. Maxx and Marshalls performed above expectations and ahead of new store openings in the prior year. Results for fiscal 2001 versus fiscal 2000 include a slightly below planned same store sales increase primarily in those areas of the country that experienced unseasonable or severe weather conditions. These sales results along with increases in store payroll and freight costs are the prime reason for the reduction in Marmaxx's operating margin in fiscal 2001 as compared to fiscal 2000.

At Marmaxx, we expect to open a net of 75 new stores in fiscal 2003, increasing this chain's store base by 6%.

WINNERS AND HOMESENSE:

U.S. DOLLARS IN MILLIONS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	\$660.9	\$563.3	\$466.8
Operating income	\$ 59.1	\$ 71.1	\$ 54.9
Operating margin	8.9%	12.6%	11.8%
Percent increase in same store sales (local currency)	6%	8%	8%
Stores in operation at end of period			
Winners	131	117	100
HomeSense	7	--	--

Winners' same store sales increased by 6% in local currency in fiscal 2002, on top of an 8% increase in the prior year. Operating income decreased 17% in fiscal 2002 from the prior year versus a 29% increase in fiscal 2001 over the prior year. This operating performance in fiscal 2002 is primarily due to Winners' inventory position being above desired levels and the resulting higher markdowns incurred to move to a more liquid inventory position. The growth in Winners' store base and its strong same store sales performance are the primary reasons for the improvement in Winners' operating margin in fiscal 2001 versus fiscal 2000.

We introduced HomeSense, a HomeGoods-like concept, to Canada by opening 7 stores during fiscal 2002. Sales results were above expectations, and operations, as expected, resulted in a small loss due to start-up costs. The operating results of HomeSense are included with Winners but are not material.

We expect to open 14 Winners and 8 HomeSense stores in fiscal 2003, increasing our total Canadian store base by 16%.

T.K. MAXX:

U.S. DOLLARS IN MILLIONS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	\$520.5	\$389.1	\$298.7
Operating income	\$ 13.0	\$ 10.9	\$ 6.5
Operating margin	2.5%	2.8%	2.2%
Percent increase in same store sales (local currency)	5%	8%	12%
Stores in operation at end of period	101	74	54

T.K. Maxx, operating in the United Kingdom and Ireland, recorded a same store sales increase of 5% in local currency in fiscal 2002, on top of an 8% increase in the prior year. The operating income for fiscal 2001 includes costs of closing the Netherlands stores and the operating loss of the stores, all of which totaled \$9.6 million. Fiscal 2002 had additional Netherlands closing costs and operating losses totaling \$1.2 million. T.K. Maxx's operating income, excluding the effect of the Netherlands, is \$14.2 million in fiscal 2002, \$20.5 million in fiscal 2001 and \$10.1 million in fiscal 2000. The decrease in T.K. Maxx's operating income from the United Kingdom and Ireland stores in fiscal 2002 is primarily due to this division carrying excess inventories through much of the year and reflects the cost of markdowns taken to bring inventory back to desired levels. The growth in T.K. Maxx's operating income from these two countries in fiscal 2001 over fiscal 2000 is primarily due to store base growth and strong same store sales performance.

We plan to open an additional 25 T.K. Maxx stores in fiscal 2003.

HOMEGOODS:

DOLLARS IN MILLIONS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	\$507.2	\$315.0	\$206.8
Operating income	\$ 3.7	\$ 4.7	\$ 4.6
Operating margin	0.7%	1.5%	2.2%
Percent increase in same store sales	7%	3%	13%
Stores in operation at end of period	112	81	51

HomeGoods' same store sales grew 7% in fiscal 2002. Operating income for the year was less than fiscal 2001 primarily due to markdowns taken in the first half of fiscal 2002 as HomeGoods moved to a more liquid inventory position, and to a lesser extent, to an increase in distribution costs. The increase in distribution costs is a result of our investment in HomeGoods' distribution network that came under pressure in fiscal 2001 as a result of HomeGoods' store growth. These distribution capacity issues negatively impacted results for fiscal 2001 versus fiscal 2000.

During fiscal 2002, HomeGoods opened an 800,000 square foot distribution facility and has plans to add an additional 800,000 square feet when needed. We plan on adding a net of 32 new HomeGoods stores in fiscal 2003.

A.J. WRIGHT:

DOLLARS IN MILLIONS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Net sales	\$157.3	\$ 83.2	\$ 43.3
Operating (loss)	\$(11.8)	\$(15.0)	\$(14.4)
Percent increase in same store sales	18%	19%	N/A
Stores in operation at end of period	45	25	15

A.J. Wright increased its store base by 80% and achieved an 18% increase in same store sales during fiscal 2002 over fiscal 2001, following a 67% increase in store base and a 19% increase in same store sales in fiscal 2001 over the prior year. This chain is still in the development stages and entered new markets in the United States during fiscal 2002. As it is still in the development stages, we expect this chain to incur operating losses for the next several years. We currently plan to add 30 new stores in fiscal 2003.

LIQUIDITY AND CAPITAL RESOURCES

OPERATING ACTIVITIES

Net cash provided by operating activities was \$912.4 million in fiscal 2002, \$556.8 million in fiscal 2001 and \$595.2 million in fiscal 2000. The increase in cash provided by operations in fiscal 2002 over fiscal 2001 is largely due to our liquid inventory position and our policy of buying closer to need. The decrease in cash provided by operations in fiscal 2001 was primarily due to an increase in inventory levels offset, in part, by an increase in accrued expenses. Inventory levels as of January 27, 2001, as compared to the prior year, were higher primarily due to earlier buying for the spring season. Inventories as a percentage of sales were 13.6% in fiscal 2002, 15.2% in fiscal 2001, and 14.0% in fiscal 2000. Working capital was \$800.9 million in fiscal 2002, \$537.2 million in fiscal 2001 and \$532.0 million in fiscal 2000. The increase in working capital in fiscal 2002 over fiscal 2001 is due to an increase in our cash position reflecting the strong cash flows from operations and proceeds from borrowings. Working capital in fiscal 2001, as compared to fiscal 2000, reflects a lower cash position offsetting increases in inventory. The cash flows from operating activities have been reduced by \$8.9 million in fiscal 2002, \$3.8 million for fiscal 2001 and \$27.9 million for fiscal 2000, for cash expenditures charged against the store closing and restructuring reserve, and the discontinued operations reserve as discussed in more detail below.

STORE CLOSING AND RESTRUCTURING RESERVE: Our store closing and restructuring reserve relates primarily to a restructuring plan in connection with our acquisition of Marshalls in November 1995. This reserve, which was initially established at that time and was subsequently adjusted, included the cost of closing 32 T.J. Maxx stores and the cost of closing 70 Marshalls stores and other Marshalls facilities. The T.J. Maxx closing costs were charged to operations while the costs associated with Marshalls were a component of the allocation of the purchase price. This reserve also includes activity relating to the closing of the T.K. Maxx stores in the Netherlands as well as several HomeGoods stores.

The following is a summary of the activity in the store closing and restructuring reserve for the last three fiscal years:

IN THOUSANDS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Balance at beginning of year	\$ 16,792	\$ 15,731	\$ 44,598
Additions to the reserve	--	3,109	--
Reserve adjustments:			
Adjust Marshalls restructuring reserve	--	--	(3,000)
Adjust T.J. Maxx store closing reserve	--	--	(300)
Adjust T.K. Maxx store closing reserve	(514)	--	--
Charges against the reserve:			
Lease related obligations	(3,941)	(1,922)	(23,734)
All other charges	(206)	--	--
Net activity relating to HomeGoods closings	--	(126)	(1,833)
Balance at end of year	\$ 12,131	\$ 16,792	\$ 15,731

The remaining balance in the store closing and restructuring reserve as of January 26, 2002 of \$12.1 million is primarily for the estimated cost of the future lease obligations of the closed stores. The estimates and assumptions used in developing the remaining reserve requirements are subject to change; however, we believe we have adequate reserves for these obligations. The use of the reserve will reduce operating cash flows in varying amounts over the next ten to fifteen years as the related leases reach their expiration dates or are settled. We believe future spending will not have a material impact on future annual cash flows or our financial condition.

DISCONTINUED OPERATIONS RESERVE: We also have a reserve for future obligations relating to House2Home, Inc., Zayre Stores and Hit or Miss, all of which were previously owned by TJX. The reserves were established at various times, either when the operation was disposed of or subsequent to the disposition, when the operation suffered significant financial distress. These reserves reflect the estimated cost to us of obligations relating to guarantees on certain property leases of these operations.

On November 7, 2001, House2Home, Inc. filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and subsequently announced its intention to liquidate the business. House2Home (formerly known as Waban, Inc. and HomeBase, Inc.) was spun-off by TJX, along with BJ's Wholesale Club in 1989. In 1997, House2Home spun-off BJ's Wholesale Club, Inc. and BJ's Wholesale Club, Inc. agreed to indemnify us for all liabilities relating to the House2Home leases with respect to the period through January 31, 2003, and 50% of such liabilities thereafter. As a result of House2Home's bankruptcy filing, we recorded an estimated after-tax charge of \$40 million (net of income taxes of \$27 million), or \$.14 per share, for the present value of the potential contingent lease obligations associated with up to 41 House2Home locations that we had guaranteed. We assumed a 6.5% interest rate for purposes of calculating the present value of the estimated lease obligations. The charge was recorded in the third quarter ending October 27, 2001 as a loss relating to discontinued operations. If we were liable on all 41 of the leases, the total discounted present value after-tax cost, without reflecting any mitigating factors, would be \$64.6 million, net of the indemnification by BJ's Wholesale Club, Inc. versus the \$40 million charge we recorded. We expect that the number and cost of the lease obligations for which we may have liability will be reduced by lease terminations, expirations, subletting, assignments, buyouts, lease modifications and other actions. We believe that our reserve appropriately reflects these possible outcomes and that any contingent liability for these leases will not have a material adverse effect on our financial condition, operating results or cash flows.

On August 20, 2001, Ames Department Stores, Inc. filed a voluntary petition for relief under Chapter 11 of the Federal Bankruptcy Code and is reorganizing. In 1988, we completed the sale of our former Zayre Stores division to Ames. Ames emerged from a prior bankruptcy under a plan of reorganization in 1992. We are obligated on leases for eight properties that reverted back to us in this earlier reorganization. All of these properties have been subleased which mitigates our liability under the leases. The present value of these eight leases, discounted at 6.5% and without mitigation, is approximately \$16 million on a pre-tax basis. Under the current reorganization to date, Ames has rejected an additional five leases for which we have or may have liability. The present value of these five leases, discounted at 6.5% and without mitigation, is approximately \$12 million on a pre-tax basis. Our reserve balance relating to Ames is approximately \$21 million. The reserve balance reflects the subleasing arrangements already in place and assumes mitigating factors will also reduce costs we may incur with respect to the other five leases. In addition to these 13 leases, we believe we are or may be contingently liable on approximately 60 to 90 leases of former Zayre stores, none of which have been rejected by Ames to date. We believe that any additional future liability with

THE TJX COMPANIES, INC.

respect to these leases will be minimal. We believe that our reserve for discontinued operations is adequate to meet the costs we may incur with respect to the Ames leases and that our contingent liability for these leases will not have a material adverse effect on our financial condition, operating results or cash flows.

Our contingent obligations with respect to leases of Hit or Miss, which filed for bankruptcy and liquidated, have been substantially resolved.

The balance in the reserve and the activity for the last three fiscal years is presented below. The addition to the reserve in fiscal 2002 relates to House2Home, Inc. The charges against the reserve during the past three years relate to the lease related obligations of the Zayre and Hit or Miss locations.

IN THOUSANDS	FISCAL YEAR ENDED JANUARY		
	2002	2001	2000
Balance at beginning of year	\$ 25,512	\$ 27,304	\$ 29,660
Additions to the reserve	66,528	--	--
Charges against the reserve:			
Lease related obligations	(4,090)	(1,621)	(2,150)
All other	(666)	(171)	(206)
Balance at end of year	\$ 87,284	\$ 25,512	\$ 27,304

We believe our current reserve is adequate for costs we may incur relating to the obligations associated with these former operations. Future spending against the discontinued operations reserve will reduce operating cash flows in varying amounts over the next ten to fifteen years, as leases reach termination dates or are settled. Charges against the reserve will likely be higher during the next several years due to House2Home, Inc. related obligations. We believe future spending will not have a material impact on future annual cash flows or our financial condition.

We are also contingently liable on up to 25 leases of BJ's Wholesale Club, Inc. for which BJ's Wholesale Club, Inc. is primarily liable. We believe that the likelihood of any future liability to us, with respect to these leases, is remote.

INVESTING ACTIVITIES

Our cash flows for investing activities include capital expenditures for the last two years as set forth in the table below:

IN MILLIONS	FISCAL YEAR ENDED JANUARY	
	2002	2001
New stores	\$143.1	\$112.1
Store renovations and improvements	108.6	94.0
Office and distribution centers	197.7	50.9
Capital expenditures	\$449.4	\$257.0

We expect that capital expenditures will approximate \$485 million for fiscal year 2003. This includes \$151 million for new stores, \$153 million for store renovations and improvements and \$181 million for our office and distribution centers. Our planned rate of new store growth on a consolidated basis is 11% for fiscal 2003. Our rate of store growth, and the related investment in our distribution center network, are the major factors in our increase in planned capital expenditures. The plan also assumes that an increased portion of our distribution center capital needs will be purchased rather than leased. These capital expenditures will be funded by operating cash flows.

Investing activities include \$5.4 million for fiscal 2002 and \$23.1 million for fiscal 2001 due to advances we made under a construction loan agreement, in connection with the expansion of our leased home office facility. Investing activities also include proceeds of \$9.2 million in fiscal 2001 from the sale of common stock of Manulife Financial Corporation.

FINANCING ACTIVITIES

On February 13, 2001, we issued \$517.5 million zero coupon convertible subordinated notes due February 2021 and raised gross proceeds of \$347.6 million. The issue price of the notes represents a yield to maturity of 2% per year. The notes are convertible into 8.5 million shares of common stock of TJX if the sale price of our common stock reaches specified thresholds, if the credit rating of the notes is below investment grade, if the notes are called for redemption or if certain specified corporate transactions occur. None of these conditions existed as of January 26, 2002 and thus the shares are excluded from the diluted earnings per share calculations. The holders of the notes have the right to require us to purchase the notes in February 2004, 2007 and 2013.

We may pay the purchase price in cash, our stock, or a combination of the two. At the first put date of February 13, 2002, no holders exercised the purchase option. If the holders exercise this option, we expect to fund the payment with cash, financing from our short-term credit facility, new long-term borrowings or a combination thereof. We used the proceeds for our accelerated store roll-out program, investment in our distribution center network, general corporate purposes and our common stock repurchase program.

In December 1999, we issued \$200 million of 7.45% unsecured notes resulting in net proceeds of \$198.1 million. The proceeds were used for general corporate purposes and to support our ongoing stock repurchase program. Financing activities include scheduled principal payments on long-term debt of \$73,000 in fiscal 2002, \$100.2 million in fiscal 2001 and \$695,000 in fiscal 2000.

Our long-term debt and lease commitments as of January 26, 2002 will require cash outflows as follows

IN THOUSANDS	LONG-TERM DEBT	CAPITAL LEASE OBLIGATIONS	OPERATING LEASE COMMITMENTS	TOTAL
Fiscal Year				
2003	\$ --	\$ 3,726	\$ 477,679	\$ 481,405
2004	15,000	3,726	451,234	469,960
2005	5,000	3,726	415,572	424,298
2006	99,953	3,726	372,335	476,014
2007	--	3,726	332,016	335,742
Later Years	552,090	34,123	1,477,248	2,063,461
Total	\$ 672,043	\$ 52,753	\$3,526,084	\$4,250,880

The payment of the zero coupon convertible notes is included in "later years" and assumes the note holders will not exercise the put option available to them in fiscal 2005. The above cash outflows will be reduced by tax benefits we expect to obtain from lease obligations as they are paid.

We spent \$424.2 million in fiscal 2002, \$444.1 million in fiscal 2001 and \$604.6 million in fiscal 2000 under our stock repurchase programs. We repurchased and retired 13.2 million shares in fiscal 2002, 22.2 million shares in fiscal 2001 and 23.6 million shares in fiscal 2000. As of January 26, 2002 we have repurchased and retired 32.7 million shares of our common stock at a cost of \$805.8 million under the current \$1 billion stock repurchase program. We anticipate the continuation of the stock repurchase program and will seek Board approval to purchase additional stock upon completion of our current \$1 billion repurchase program.

We declared quarterly dividends on our common stock of \$.045 per share in fiscal 2002, \$.04 per share in fiscal 2001 and \$.035 per share in fiscal 2000. Cash payments for dividends on our common stock totaled \$48.3 million in fiscal 2002, \$44.7 million in fiscal 2001 and \$42.7 million in fiscal 2000. Financing activities also include proceeds of \$65.2 million for fiscal 2002, \$26.1 million for fiscal 2001 and \$9.3 million for fiscal 2000 from the exercise of employee stock options. These stock option exercises also provided tax benefits of \$30.6 million in fiscal 2002, \$15.9 million in fiscal 2001 and \$11.7 million in fiscal 2000, which are included in cash provided by operating activities.

On April 10, 2002 our Board of Directors approved a two-for-one stock split to be distributed on May 8, 2002. The stock split will require retroactive restatement of all historical per share data in the first quarter of fiscal 2003. See Note P to the consolidated financial statements for unaudited pro forma information.

We traditionally have funded our seasonal merchandise requirements through cash generated from operations, short-term bank borrowings and the issuance of short-term commercial paper. As of January 26, 2002 we had a \$500 million five-year revolving credit agreement, scheduled to expire in September 2002, and a \$250 million 364-day revolving credit agreement scheduled to expire in July 2002. Subsequent to the year ended January 26, 2002, we entered into new agreements for a \$350 million five-year revolving credit facility, and a \$300 million 364-day revolving credit facility. The new credit facilities have substantially the same terms and conditions as the credit facilities they replaced. The revolving credit facilities are used as backup to our commercial paper program. As of January 26, 2002 there were no outstanding amounts under our credit facilities. The maximum amount of U.S. short-term borrowings outstanding was \$39 million during fiscal 2002, \$330 million during fiscal 2001 and \$108 million during fiscal 2000. There were no short-term borrowings during fiscal 2002 following the issuance of the zero coupon convertible notes. The weighted average interest rate on our U.S. short-term borrowings was 5.32% in fiscal 2002, 6.82% in fiscal 2001 and 6.06% in fiscal 2000. We also have a C\$20 million credit line for our Canadian operations, that had been fully utilized during fiscal 2002. The funding requirements for fiscal 2002 of our Canadian operations were largely provided by TJX. The maximum amount outstanding under all our Canadian credit lines in prior years was C\$15.2 million during fiscal 2001 and C\$19.2 million during fiscal 2000. Interest on this credit line is at the Canadian prime lending rate.

We believe that our current credit facilities are more than adequate to meet our operating needs. See Notes C and G to the consolidated financial statements for further information regarding our long-term debt, capital stock transactions and available financing sources.

CRITICAL ACCOUNTING POLICIES

We have the obligation to evaluate and select applicable accounting policies for TJX. We consider our most critical accounting policies that involve management estimates and judgments to be those relating to inventory valuation, accounting for taxes and to reserves for discontinued operations.

INVENTORY VALUATION: We use the retail method for valuing inventory on a first-in first-out basis. Under the retail method the cost value of inventory and gross margins are determined by calculating a cost-to-retail ratio and applying it to the retail value of inventory. This is an averaging method that is widely used in the retail industry and involves management estimates with regard to such things as markdowns and shrinkage. A significant factor involves the recording and timing of permanent markdowns. Under the retail method permanent markdowns are reflected in the inventory valuation when the price of an item is changed. We believe the retail method results in a more conservative inventory valuation than other accounting methods. In addition, as a normal business practice we have a very specific policy as to when markdowns are to be taken, greatly reducing management estimates. Inventory shortage involves estimating a shrinkage rate for interim periods but is based on a full physical inventory at fiscal year end. Thus, to the extent that actual results are significantly different from the estimated amounts this can cause fluctuations in quarterly results but is not a factor in full year results. Overall, we believe that the retail method coupled with our disciplined permanent markdown policy results in an inventory valuation that is fairly stated.

ACCOUNTING FOR TAXES: We are continuously under audit by United States federal, state, local and foreign tax authorities in the areas of income taxes and the remittance of sales and use taxes. In evaluating the potential exposure associated with various tax filing positions, we accrue charges for possible exposures. Based on annual evaluations of tax positions, we believe we have appropriately filed our tax returns and accrued for possible exposures. To the extent we were to prevail in matters for which accruals have been established or be required to pay amounts in excess of reserves, our effective tax rate in a given financial statement period might be materially impacted. The Company has various state tax examinations in process.

RESERVES FOR DISCONTINUED OPERATIONS: As discussed in Note L to the consolidated financial statements and elsewhere in the management's discussion and analysis, we have reserves established with regard to guarantees on leases relating to operations previously operated by TJX. These are long-term obligations and the estimated cost to us involves numerous estimates and assumptions as to how a particular obligation may ultimately be settled and what mitigating factors, including indemnification, may exist. We develop these assumptions based on past experience and by evaluating the circumstances surrounding each situation and location. Actual results may differ from these estimates but we believe that our current reserve is a reasonable estimate of the most likely outcome and that the reserve is adequate to cover the ultimate cost we will incur.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires the use of the purchase method of accounting for all business combinations initiated after June 30, 2001, thereby eliminating use of the pooling-of-interests method. Goodwill will no longer be amortized but will be tested for impairment. Additionally, new criteria have been established that determine whether an acquired intangible asset should be recognized separately from goodwill. SFAS No. 142 addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. We are required to implement SFAS No. 142 for our fiscal year beginning January 27, 2002 and will no longer amortize goodwill or the Marshalls tradename, which has an indefinite life, but will periodically test them for impairment. This will increase annual net income by approximately \$5 million, or \$.02 per share.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets." The provisions of SFAS No. 143 apply to all entities that incur obligations associated with the retirement of tangible long-lived assets. SFAS No. 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002 and will become effective for TJX commencing in the first quarter of fiscal 2004. This accounting pronouncement is not expected to have a significant impact on our financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The objectives of SFAS No. 144 are to address issues relating to the implementation of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," and to develop a model for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001 and will become effective for TJX commencing in the first quarter of fiscal 2003. This accounting pronouncement is not expected to have a significant impact on our financial position or results of operations.

MARKET RISK

We are exposed to foreign currency exchange rate risk on our investment in our Canadian (Winners, including HomeSense) and European (T.K. Maxx) operations. As more fully described in Notes A and D to the consolidated financial statements, we hedge a significant portion of our net investment, intercompany transactions and certain merchandise purchase commitments in these operations with derivative financial instruments. We utilize currency forward and swap contracts, designed to offset the gains or losses in the underlying exposures. The contracts are executed with creditworthy banks and are denominated in currencies of major industrial countries. We do not enter into derivatives for speculative trading purposes.

FORWARD-LOOKING INFORMATION

Some statements contained in this Annual Report are forward-looking and involve a number of risks and uncertainties. Statements that address activities, events and results that we intend, expect or believe may occur in the future are forward-looking statements. Among the factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements are the following: general economic conditions including effects of terrorist incidents and military actions and consumer demand and consumer preferences; weather patterns in areas where we have concentrations of stores; competitive factors, including pressure from pricing and promotional activities of competitors; the impact of excess retail capacity and the availability of desirable store and distribution center locations on suitable terms; recruiting quality sales associates; the availability, selection and purchasing of attractive merchandise on favorable terms; our ability to effectively manage inventory levels; potential disruptions in supply and duties, tariffs and quotas on imported merchandise, as well as economic and political problems in countries from which merchandise is imported; currency and exchange rate factors in our foreign operations; expansion of our store base, development of new businesses and application of our off-price strategies in foreign countries; our acquisition and divestiture activities; our ultimate liability with respect to leases relating to discontinued operations including indemnification and other factors affecting or mitigating our liability; and other factors that may be described in our filings with the Securities and Exchange Commission. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PRICE RANGE OF COMMON STOCK

TJX's common stock is listed on the New York Stock Exchange (Symbol: TJX). The quarterly high and low trading stock prices for fiscal 2002 and fiscal 2001 are as follows:

QUARTER	FISCAL 2002		FISCAL 2001	
	HIGH	LOW	HIGH	LOW
First	\$33.75	\$27.51	\$24.56	\$13.94
Second	\$35.15	\$30.41	\$22.38	\$16.00
Third	\$37.00	\$29.60	\$26.31	\$15.81
Fourth	\$41.15	\$32.50	\$31.50	\$22.50

The approximate number of common shareholders at January 26, 2002 was 46,700.

TJX declared four quarterly dividends of \$.045 per share for fiscal 2002 and \$.04 per share for fiscal 2001.

SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

IN THOUSANDS EXCEPT PER SHARE AMOUNTS	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Fiscal Year Ended January 26, 2002				
Net sales	\$ 2,270,895	\$ 2,487,622	\$ 2,741,769	\$ 3,208,712
Gross earnings(1)	584,279	592,918	681,773	727,106
Income from continuing operations	123,671	111,908	149,498	155,320
Diluted earnings per share	.44	.40	.54	.56
Net income	123,671	111,908	109,498	155,320
Diluted earnings per share	.44	.40	.40	.56
Fiscal Year Ended January 27, 2001				
Net sales	\$ 2,108,116	\$ 2,258,174	\$ 2,461,411	\$ 2,751,305
Gross earnings(1)	554,076	555,876	653,663	627,267
Income from continuing operations	130,580	114,033	158,274	135,179
Diluted earnings per share	.44	.39	.56	.48
Net income	130,580	114,033	158,274	135,179
Diluted earnings per share	.44	.39	.56	.48

(1) Gross earnings equal net sales less cost of sales, including buying and occupancy costs.

SUBSIDIARIES

All of the following subsidiaries are either directly or indirectly owned by The TJX Companies, Inc.

OPERATING SUBSIDIARIES -----	STATE OR JURISDICTION OF INCORPORATION OR ORGANIZATION -----	NAME UNDER WHICH DOES BUSINESS (IF DIFFERENT) -----
NBC Attire Inc.	Massachusetts	
Newton Buying Corp.	Delaware	
NBC Distributors Inc.	Massachusetts	
NBC Merchants, Inc.	Indiana	
NBC Charlotte Merchants, Inc.	North Carolina	
NBC Nevada Merchants, Inc.	Nevada	
NBC Philadelphia Merchants, Inc.	Pennsylvania	
NBC Pittston Merchants, Inc.	Pennsylvania	
Marmaxx Operating Corp.	Delaware	T.J. Maxx/Marshalls
Marshalls Atlanta Merchants, Inc.	Georgia	
Marshalls Bridgewater Merchants, Inc.	Virginia	
Marshalls Woburn Merchants, Inc.	Massachusetts	
Marshalls of MA, Inc.	Massachusetts	
New York Department Stores de Puerto Rico, Inc.	Puerto Rico	Marshalls
Marshalls of Richfield, MN, Inc.	Minnesota	
Marshalls of Northridge-Devonshire, CA, Inc.	California	
Marshalls of Glen Burnie, MD, Inc.	Maryland	
Marshalls of Beacon, VA, Inc.	Virginia	
Marshalls of Laredo, TX, Inc.	Texas	
Marshalls of Calumet City, IL, Inc.	Illinois	
Marshalls of Chicago-Clark, IL, Inc.	Illinois	
Marshalls of Streamwood, IL, Inc.	Illinois	
Marshalls of Chicago-Brickyard, IL, Inc.	Illinois	
Marshalls of Matteson, IL, Inc.	Illinois	
Marshalls of Elizabeth, NJ, Inc.	New Jersey	
Marshalls of Nevada, Inc.	Nevada	
Newton Buying Company of CA, Inc.	Delaware	Marshalls
Strathmex Corp.	Delaware	
HomeGoods, Inc.	Delaware	
H.G. Merchants, Inc.	Massachusetts	
H.G. Indiana Distributors, Inc.	Indiana	
HomeGoods of Puerto Rico, Inc.	Puerto Rico	
Winners Merchants Inc.	Ontario, Canada	
NBC Apparel, Inc.	Delaware	
NBC Apparel	United Kingdom	T.K. Maxx
NBC Apparel Group	United Kingdom	
T.K. Maxx	United Kingdom	
NBC Apparel Management Limited	United Kingdom	
TJX Netherlands B.V.	Netherlands	T.K. Max
T.K. Maxx Ireland	Ireland	
Concord Buying Group, Inc.	New Hampshire	A.J. Wright
AJW Merchants Inc.	Massachusetts	A.J. Wright
NBC Manager, LLC	Delaware	
NBC Trust	Massachusetts	

SUBSIDIARIES
CONTINUED

OPERATING SUBSIDIARIES	STATE OR JURISDICTION OF INCORPORATION OR ORGANIZATION	NAME UNDER WHICH DOES BUSINESS (IF DIFFERENT)
NBC Operating, LLC T.J. Maxx of CA, LLC T.J. Maxx of IL, LLC Marshalls of CA, LLC Marshalls of IL, LLC NYDS, LLC	Delaware Delaware Delaware Delaware Delaware Delaware	
LEASING SUBSIDIARIES	Massachusetts Indiana Massachusetts Nevada Illinois North Carolina Pennsylvania Massachusetts Indiana Delaware	
Cochituate Realty, Inc. NBC First Realty Corp. NBC Second Realty Corp. NBC Fourth Realty Corp. NBC Fifth Realty Corp. NBC Sixth Realty Corp. NBC Seventh Realty Corp. AJW Realty of Fall River, Inc. H.G. Brownsburg Realty Corp. H.G. Conn. Realty Corp.		

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Edmond English and Donald G. Campbell and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the form 10-K to be filed by The TJX Companies, Inc. for the fiscal year ended January 26, 2002 and any or all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ EDMOND ENGLISH

 Edmond English, President,
 Principal Executive Officer and
 Director

/s/ DONALD G. CAMPBELL

 Donald G. Campbell, Executive Vice President -
 Finance, Principal Financial and
 Accounting Officer

/s/ DAVID A. BRANDON

 David A. Brandon, Director

/s/ RICHARD LESSER

 Richard Lesser, Director

/s/ BERNARD CAMMARATA

 Bernard Cammarata, Director

/s/ JOHN F. O'BRIEN

 John F. O'Brien, Director

/s/ GARY CRITTENDEN

 Gary Crittenden, Director

/s/ ROBERT F. SHAPIRO

 Robert F. Shapiro, Director

/s/ GAIL DEEGAN

 Gail Deegan, Director

/s/ WILLOW B. SHIRE

 Willow B. Shire, Director

/s/ DENNIS F. HIGHTOWER

 Dennis F. Hightower, Director

/s/ FLETCHER H. WILEY

 Fletcher H. Wiley, Director

Dated: April 10, 2002

