

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(mark one)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended August 1, 2009

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

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
(I.R.S. Employer Identification No.)

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

01701
(Zip Code)

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

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO .

The number of shares of registrant's common stock outstanding as of August 1, 2009: 423,853,927

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

[Item 1. Financial Statements](#)

[Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations](#)

[Item 3. Quantitative and Qualitative Disclosures about Market Risk](#)

[Item 4. Controls and Procedures](#)

PART II — OTHER INFORMATION

[Item 1. Legal Proceedings](#)

[Item 1A. Risk Factors](#)

[Item 2. Unregistered Sales of Equity Securities and Use of Proceeds](#)

[Item 4 Submission of Matters to a Vote of Security Holders](#)

[Item 6. Exhibits](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[EX-10.1 Stock Incentive Plan \(2009 Restatement\)](#)

[EX-10.2 Employment Agreement dated as of June 2, 2009](#)

[EX-31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[EX-31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[EX-32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

[EX-32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

[EX-101 INSTANCE DOCUMENT](#)

[EX-101 SCHEMA DOCUMENT](#)

[EX-101 CALCULATION LINKBASE DOCUMENT](#)

[EX-101 LABELS LINKBASE DOCUMENT](#)

[EX-101 PRESENTATION LINKBASE DOCUMENT](#)

[EX-101 DEFINITION LINKBASE DOCUMENT](#)

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

THE TJX COMPANIES, INC.
STATEMENTS OF INCOME
(UNAUDITED)
AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirteen Weeks Ended	
	August 1, 2009	July 26, 2008
Net sales	\$ 4,747,528	\$ 4,554,395
Cost of sales, including buying and occupancy costs	3,534,302	3,447,443
Selling, general and administrative expenses	790,876	766,936
Interest expense, net	9,249	2,641
Income from continuing operations before provision for income taxes	413,101	337,375
Provision for income taxes	151,540	125,302
Income from continuing operations	261,561	212,073
(Loss) from discontinued operations, net of income taxes	—	(11,850)
Net income	\$ 261,561	\$ 200,223
Basic earnings per share:		
Income from continuing operations	\$ 0.62	\$ 0.50
(Loss) from discontinued operations, net of income taxes	\$ —	\$ (0.02)
Net income	\$ 0.62	\$ 0.48
Weighted average common shares — basic	423,891	421,289
Diluted earnings per share:		
Income from continuing operations	\$ 0.61	\$ 0.48
(Loss) from discontinued operations, net of income taxes	\$ —	\$ (0.03)
Net income	\$ 0.61	\$ 0.45
Weighted average common shares — diluted	430,453	445,423
Cash dividends declared per share	\$ 0.12	\$ 0.11

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.
STATEMENTS OF INCOME
(UNAUDITED)
AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Net sales	<u>\$ 9,101,752</u>	<u>\$ 8,857,950</u>
Cost of sales, including buying and occupancy costs	6,807,648	6,724,386
Selling, general and administrative expenses	1,525,933	1,495,322
Interest expense, net	<u>15,850</u>	<u>4,315</u>
Income from continuing operations before provision for income taxes	752,321	633,927
Provision for income taxes	<u>281,546</u>	<u>223,854</u>
Income from continuing operations	470,775	410,073
(Loss) from discontinued operations, net of income taxes	—	(16,001)
Net income	<u>\$ 470,775</u>	<u>\$ 394,072</u>
Basic earnings per share:		
Income from continuing operations	\$ 1.13	\$ 0.97
(Loss) from discontinued operations, net of income taxes	\$ —	\$ (0.04)
Net income	\$ 1.13	\$ 0.93
Weighted average common shares — basic	418,212	423,454
Diluted earnings per share:		
Income from continuing operations	\$ 1.09	\$ 0.92
(Loss) from discontinued operations, net of income taxes	\$ —	\$ (0.04)
Net income	\$ 1.09	\$ 0.88
Weighted average common shares — diluted	431,091	448,135
Cash dividends declared per share	\$ 0.24	\$ 0.22

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.
BALANCE SHEETS
IN THOUSANDS, EXCEPT SHARE DATA

	August 1, 2009 <u>(unaudited)</u>	January 31, 2009 <u>(unaudited)</u>	July 26, 2008 <u>(unaudited)</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,426,895	\$ 453,527	\$ 517,493
Short-term investments	134,627	—	—
Accounts receivable, net	145,387	143,500	141,826
Merchandise inventories	3,100,175	2,619,336	3,104,817
Prepaid expenses and other current assets	295,766	274,091	308,252
Current deferred income taxes, net	108,852	135,675	93,851
Total current assets	<u>5,211,702</u>	<u>3,626,129</u>	<u>4,166,239</u>
Property at cost:			
Land and buildings	277,463	280,278	278,494
Leasehold costs and improvements	1,865,203	1,728,362	1,854,524
Furniture, fixtures and equipment	2,958,867	2,784,316	2,799,123
Total property at cost	5,101,533	4,792,956	4,932,141
Less accumulated depreciation and amortization	2,872,297	2,607,200	2,685,525
Net property at cost	<u>2,229,236</u>	<u>2,185,756</u>	<u>2,246,616</u>
Property under capital lease, net of accumulated amortization of \$18,240; \$17,124 and \$16,007, respectively	14,332	15,448	16,565
Other assets	200,951	171,381	183,155
Goodwill and tradename, net of amortization	179,779	179,528	179,980
TOTAL ASSETS	<u>\$ 7,836,000</u>	<u>\$ 6,178,242</u>	<u>\$ 6,792,555</u>
LIABILITIES			
Current liabilities:			
Current installments of long-term debt	\$ 418,943	\$ 392,852	\$ —
Obligation under capital lease due within one year	2,263	2,175	2,090
Accounts payable	1,740,443	1,276,098	1,746,079
Accrued expenses and other liabilities	1,067,862	1,096,766	1,236,136
Total current liabilities	<u>3,229,511</u>	<u>2,767,891</u>	<u>2,984,305</u>
Other long-term liabilities	753,254	765,004	744,032
Non-current deferred income taxes, net	229,991	127,008	98,548
Obligation under capital lease, less portion due within one year	17,045	18,199	19,308
Long-term debt, exclusive of current installments	774,287	365,583	832,788
Commitments and contingencies	—	—	—
SHAREHOLDERS' EQUITY			
Common stock, authorized 1,200,000,000 shares, par value \$1, issued and outstanding 423,853,927; 412,821,592 and 419,411,063, respectively	423,854	412,822	419,411
Additional paid-in capital	215,568	—	—
Accumulated other comprehensive (loss)	(115,791)	(217,781)	(33,483)
Retained earnings	2,308,281	1,939,516	1,727,646
Total shareholders' equity	<u>2,831,912</u>	<u>2,134,557</u>	<u>2,113,574</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 7,836,000</u>	<u>\$ 6,178,242</u>	<u>\$ 6,792,555</u>

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.
STATEMENTS OF CASH FLOWS
(UNAUDITED)
IN THOUSANDS

	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Cash flows from operating activities:		
Net income	\$ 470,775	\$ 394,072
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	209,420	199,795
Loss on property disposals and impairment charges	867	21,644
Deferred income tax provision	108,326	59,885
Amortization of share-based compensation expense	25,859	24,699
Excess tax benefits from share-based compensation expense	(6,213)	(14,035)
Changes in assets and liabilities:		
Decrease in accounts receivable	1,573	1,279
(Increase) in merchandise inventories	(408,952)	(369,839)
(Increase) in prepaid expenses and other current assets	(23,275)	(102,880)
Increase in accounts payable	422,565	230,879
(Decrease) increase in accrued expenses and other liabilities	(91,869)	13,290
Other	(4,342)	9,631
Net cash provided by operating activities	<u>704,734</u>	<u>468,420</u>
Cash flows from investing activities:		
Property additions	(163,637)	(259,005)
Purchase of short-term investments	(167,184)	—
Sales and maturities of short-term investments	42,756	—
Other	(5,438)	398
Net cash (used in) investing activities	<u>(293,503)</u>	<u>(258,607)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	774,263	—
Principal payments on current portion of long-term debt	(2,283)	—
Cash payments for debt issuance expenses	(7,202)	—
Payments on capital lease obligation	(1,065)	(984)
Cash payments for repurchase of common stock	(236,713)	(448,574)
Proceeds from sale and issuance of common stock	68,790	99,685
Excess tax benefits from share-based compensation expense	6,213	14,035
Cash dividends paid	(96,601)	(85,106)
Net cash provided by (used in) financing activities	<u>505,402</u>	<u>(420,944)</u>
Effect of exchange rate changes on cash	<u>56,735</u>	<u>(3,988)</u>
Net increase (decrease) in cash and cash equivalents	973,368	(215,119)
Cash and cash equivalents at beginning of fiscal year	<u>453,527</u>	<u>732,612</u>
Cash and cash equivalents at end of period	<u>\$ 1,426,895</u>	<u>\$ 517,493</u>

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.
STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)
IN THOUSANDS

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, January 31, 2009	412,822	\$ 412,822	\$ —	\$ (217,781)	\$ 1,939,516	\$ 2,134,557
Comprehensive income:						
Net income	—	—	—	—	470,775	470,775
Gain due to foreign currency translation adjustments	—	—	—	100,300	—	100,300
Recognition of unfunded post retirement liabilities	—	—	—	(1,212)	—	(1,212)
Recognition of prior service cost and deferred gains	—	—	—	2,902	—	2,902
Total comprehensive income						572,765
Cash dividends declared on common stock	—	—	—	—	(102,010)	(102,010)
Restricted stock awards granted	466	466	(466)	—	—	—
Amortization of share-based compensation expense	—	—	25,859	—	—	25,859
Issuance of common stock upon conversion of convertible debt	15,094	15,094	349,994	—	—	365,088
Issuance of common stock under stock incentive plan and related tax effect	3,432	3,432	68,934	—	—	72,366
Common stock repurchased	(7,960)	(7,960)	(228,753)	—	—	(236,713)
Balance, August 1, 2009	<u>423,854</u>	<u>\$ 423,854</u>	<u>\$ 215,568</u>	<u>\$ (115,791)</u>	<u>\$ 2,308,281</u>	<u>\$ 2,831,912</u>

The accompanying notes are an integral part of the financial statements.

THE TJX COMPANIES, INC.
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note A. Summary of Significant Accounting Policies

Basis of Presentation — The consolidated interim financial statements are unaudited and, in the opinion of management, reflect all normal recurring adjustments, the use of retail statistics, and accruals and deferrals among periods required to match costs properly with the related revenue or activity, considered necessary by TJX for a fair presentation of its financial statements for the periods reported, all in accordance with generally accepted accounting principles consistently applied. The consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements, including the related notes, contained in TJX's Annual Report on Form 10-K for the fiscal year ended January 31, 2009 ("fiscal 2009").

The results for the first six months are not necessarily indicative of results for the full fiscal year, because TJX's business, in common with the businesses of retailers generally, is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

Share-Based Compensation — Total share-based compensation expense was \$13.5 million for the quarter ended August 1, 2009 and \$12.5 million for the quarter ended July 26, 2008. Total share-based compensation expense was \$25.9 million for the six months ended August 1, 2009 and \$24.7 million for the six months ended July 26, 2008. These amounts include stock option expense as well as restricted stock amortization. There were options to purchase 3.0 million shares of common stock exercised during the second quarter and options to purchase 3.5 million shares of common stock exercised for the six months ended August 1, 2009. There were options to purchase 27.7 million shares of common stock outstanding as of August 1, 2009.

Cash and Cash Equivalents — TJX generally considers highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Investments with maturities greater than three months but less than a year at the date of purchase are included in short-term investments. TJX's investments are primarily high-grade commercial paper, government and corporate bonds, institutional money market funds and time deposits with major banks.

Merchandise Inventories — TJX accrues for inventory purchase obligations at the time of shipment by the vendor. As a result, merchandise inventories on TJX's balance sheets include an accrual for in-transit inventory of \$423.7 million at August 1, 2009 and \$367.6 million at July 26, 2008. A liability for a comparable amount is included in accounts payable for the respective period.

New Accounting Standards — In April 2009, the Financial Accounting Standards Board ("FASB") issued three FASB Staff Positions ("FSP") intended to provide additional application guidance and enhance disclosures regarding fair value measurements and impairments of securities, all of which are effective for interim and annual periods ending after June 15, 2009. FSP Financial Accounting Standard ("FAS") 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly," provides guidelines for making fair value measurements more consistent with the principles presented in Statement of Financial Accounting Standards ("SFAS") 157 when the volume and level of activity of an asset or liability have significantly decreased from normal market activity. FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," require interim reporting of fair value disclosures. FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments," provide additional guidance in determining whether a debt security is other-than-temporarily impaired and expand the disclosures of other-than-temporarily impaired debt and equity securities. The adoption of these FSPs did not have a material effect on TJX's financial condition, results of operations or cash flows.

Reclassifications — Certain immaterial amounts in the prior period statements of income have been reclassified from "selling, general and administrative expenses" to "cost of sales, including buying and occupancy costs" to be consistent with the fiscal 2010 presentation.

Subsequent Events — As of August 28, 2009, the date of issuance of this Form 10-Q for the quarter ended August 1, 2009, there were no items deemed to be reportable as a subsequent event, other than the repayment of the C\$235 million term credit facility which was repaid on August 10, 2009. Further details are disclosed in Note I.

[Table of Contents](#)**Note B. Discontinued Operations**

In fiscal 2009, TJX sold Bob's Stores and recorded as a component of discontinued operations a loss on disposal (including expenses relating to the sale) of \$19.0 million, net of tax benefits of \$13.0 million. TJX remains contingently liable on eight Bob's Stores leases.

TJX also reclassified the operating results of Bob's Stores for all periods prior to the sale as a component of discontinued operations. The following table presents the net sales, segment profit (loss) and after-tax income (loss) from operations reclassified to discontinued operations for the thirteen and twenty-six weeks ended July 26, 2008 (in thousands):

	Thirteen Weeks	Twenty-Six Weeks
Net sales	\$ 66,897	\$127,467
Segment loss	\$(19,816)	\$(26,758)
Net loss	\$(11,850)	\$(16,001)

Note C. Commitments and Contingencies

Provision for Computer Intrusion related costs — TJX has a reserve for its estimate of the total probable losses arising from an unauthorized intrusion or intrusions (the intrusion or intrusions, collectively, the "Computer Intrusion") into portions of its computer system, which was discovered late in fiscal 2007 and in which TJX believes customer data were stolen. The reserve balance was \$27.2 million at August 1, 2009. As an estimate, the reserve is subject to uncertainty, and actual costs may vary from the current estimate and such variations may be material. TJX may decrease or increase the amount of the reserve to adjust for developments in litigation, claims and related expenses, insurance proceeds and changes in estimates.

Reserve for Discontinued Operations — TJX has a reserve for future obligations of discontinued operations that relates primarily to real estate leases associated with 34 discontinued A.J. Wright stores that were closed in the fourth quarter of fiscal 2007, three leases related to the sale of Bob's Stores and leases of other TJX businesses. The balance in the reserve and the activity for respective periods are presented below:

In thousands	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Balance at beginning of year	\$ 40,564	\$ 46,076
Additions to the reserve charged to net income:		
Interest accretion	881	910
Cash charges against the reserve:		
Lease-related obligations	(2,472)	(3,501)
Termination benefits and all other	(33)	—
Balance at end of period	<u>\$ 38,940</u>	<u>\$ 43,485</u>

TJX may also be contingently liable on up to 15 leases of BJ's Wholesale Club, a former TJX business, and on eight additional Bob's Stores leases. The reserve for discontinued operations does not reflect these leases because TJX does not believe that the likelihood of future liability to TJX is probable.

[Table of Contents](#)**Note D. Other Comprehensive Income**

TJX's comprehensive income information is presented below:

In thousands	Thirteen Weeks Ended	
	August 1, 2009	July 26, 2008
Net income	\$ 261,561	\$ 200,223
Other comprehensive income (loss):		
Gain (loss) due to foreign currency translation adjustments, net of related tax effects	71,823	(630)
(Loss) on net investment hedge contracts, net of related tax effects	—	(1,753)
Gain on cash flow hedge contract, net of related tax effects	—	582
Recognition of prior service cost and deferred gains (losses)	1,220	(407)
Amount of cash flow hedge reclassified from other comprehensive income to net income	—	(276)
Total comprehensive income	<u>\$ 334,604</u>	<u>\$ 197,739</u>

In thousands	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Net income	\$ 470,775	\$ 394,072
Other comprehensive income (loss):		
Gain (loss) due to foreign currency translation adjustments, net of related tax effects	100,300	(972)
(Loss) on net investment hedge contracts, net of related tax effects	—	(3,129)
Gain on cash flow hedge contract, net of related tax effects	—	326
Recognition of unfunded post retirement liabilities	(1,212)	—
Recognition of prior service cost and deferred gains (losses)	2,902	(813)
Amount of cash flow hedge reclassified from other comprehensive income to net income	—	(210)
Total comprehensive income	<u>\$ 572,765</u>	<u>\$ 389,274</u>

[Table of Contents](#)**Note E. Earnings Per Share and Capital Stock**

The computation of TJX's basic and diluted earnings per share (EPS) is as follows:

In thousands, except per share data	Thirteen Weeks Ended	
	August 1, 2009	July 26, 2008
Basic earnings per share		
Income from continuing operations	\$ 261,561	\$ 212,073
Weighted average common shares outstanding for basic EPS	423,891	421,289
Basic earnings per share — continuing operations	\$ 0.62	\$ 0.50
Diluted earnings per share		
Income from continuing operations	\$ 261,561	\$ 212,073
Add back: Interest expense on zero coupon convertible subordinated notes, net of income taxes	1	1,202
Income from continuing operations used for diluted EPS calculation	<u>\$ 261,562</u>	<u>\$ 213,275</u>
Shares for basic and diluted earnings per share calculations:		
Weighted average common shares outstanding for basic EPS	423,891	421,289
Assumed conversion/exercise/vesting of:		
Stock options and awards	6,026	7,231
Zero coupon convertible subordinated notes	536	16,903
Weighted average common shares outstanding for diluted EPS	<u>430,453</u>	<u>445,423</u>
Diluted earnings per share — continuing operations	\$ 0.61	\$ 0.48
<hr/>		
In thousands, except per share data	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Basic earnings per share		
Income from continuing operations	\$ 470,775	\$ 410,073
Weighted average common shares outstanding for basic EPS	418,212	423,454
Basic earnings per share — continuing operations	\$ 1.13	\$ 0.97
Diluted earnings per share		
Income from continuing operations	\$ 470,775	\$ 410,073
Add back: Interest expense on zero coupon convertible subordinated notes, net of income taxes	1,073	2,397
Income from continuing operations used for diluted EPS calculation	<u>\$ 471,848</u>	<u>\$ 412,470</u>
Shares for basic and diluted earnings per share calculations:		
Weighted average common shares outstanding for basic EPS	418,212	423,454
Assumed conversion/exercise/vesting of:		
Stock options and awards	5,077	7,778
Zero coupon convertible subordinated notes	7,802	16,903
Weighted average common shares outstanding for diluted EPS	<u>431,091</u>	<u>448,135</u>
Diluted earnings per share — continuing operations	\$ 1.09	\$ 0.92

[Table of Contents](#)

FSP 03-6-1, “Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities,” was applicable for TJX during the first quarter of fiscal 2010. The adoption of this FSP had no impact on TJX’s financial statements.

Weighted average common shares for diluted earnings per share exclude the incremental effect related to any outstanding stock options, the exercise price of which is in excess of the related fiscal period’s average price of TJX’s common stock. Such options are excluded because they would have an antidilutive effect. There were options to purchase 4.9 million shares excluded for the thirteen weeks and options to purchase 9.8 million shares excluded for the twenty-six weeks ended August 1, 2009. No options were excluded for the thirteen or twenty-six weeks ended July 26, 2008.

In April 2009, TJX called for the redemption of its zero coupon convertible subordinated notes. There were 430,887 such notes with a carrying value of \$340.5 million converted during the three months ended August 1, 2009, resulting in the issuance of 14.1 million shares of common stock at a conversion rate of 32.667 shares of TJX common stock per note. During the six months ended August 1, 2009, there were 462,057 such notes with a carrying value of \$365.1 million converted into 15.1 million shares of TJX common stock and TJX paid \$2.3 million to redeem the remaining 2,886 notes outstanding that were not converted.

During the quarter ended August 1, 2009, TJX repurchased and retired 6.4 million shares of its common stock at a cost of \$193.8 million. For the six months ended August 1, 2009, TJX repurchased and retired 8.0 million shares of its common stock at a cost of \$236.7 million. TJX reflects stock repurchases in its financial statements on a “settlement” basis. TJX had cash expenditures under its repurchase programs of \$236.7 million for the six months ended August 1, 2009, and \$448.6 million for the same period last year. Repurchases were funded by cash generated from operations and, in fiscal 2010, the net proceeds from the issuance of \$375 million 6.95% notes. Under the \$1 billion stock repurchase program authorized in February 2008, TJX repurchased 16.9 million shares of common stock at a cost of \$491.8 million through the second quarter of fiscal 2010, and \$508.2 million remained available at August 1, 2009. All shares repurchased under the stock repurchase program have been retired.

Note F. Financial Instruments

TJX enters into financial instruments to manage its cost of borrowing and to manage its exposure to changes in fuel costs and foreign currency exchange rates.

Interest Rate Contracts — At August 1, 2009, TJX had interest rate swap agreements outstanding with a notional amount of \$100 million. The agreements entitle TJX to receive biannual payments of interest at a fixed rate of 7.45% and to pay a floating rate of interest indexed to the six-month LIBOR rate with no exchange of the underlying notional amounts. The interest rate swap agreements converted a portion of TJX’s long-term debt from a fixed-rate obligation to a floating-rate obligation. TJX designated the interest rate swap agreements as a fair value hedge of the related long-term debt. The interest rate swaps expire in December 2009.

Diesel Fuel Contracts — During fiscal 2009, TJX entered into agreements to hedge approximately 30% of its notional diesel fuel requirements for fiscal 2010, based on the diesel fuel consumed by independent freight carriers transporting the Company’s inventory. These carriers charge TJX mileage surcharges for diesel fuel price increases as incurred by the freight carrier. The hedge agreements were designed to mitigate the volatility of diesel fuel pricing (and the resulting per mile surcharges payable by TJX) by setting a fixed price per gallon for the year. TJX elected not to apply hedge accounting rules to these contracts. All of the diesel fuel hedge agreements expire in February 2010.

Foreign Currency Contracts — TJX enters into forward foreign currency exchange contracts to obtain economic hedges on firm U.S. dollar and Euro-denominated merchandise purchase commitments made by its Canadian and European operations. These commitments are typically six months or less in duration. The contracts outstanding at August 1, 2009 covered certain commitments for the third and fourth quarters of fiscal 2010. TJX elected not to apply hedge accounting rules to these contracts.

TJX also enters into derivative contracts, generally designated as fair value hedges, to hedge intercompany debt and intercompany interest payable. The changes in fair value of these contracts are recorded in selling, general and

[Table of Contents](#)

administrative expenses and are 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 which is reflected in selling, general and administrative expenses.

Following is a summary of TJX's derivative financial instruments and related fair values outstanding at August 1, 2009:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Asset US\$	(Liability) US\$	Net Fair Value in US\$ at August 1, 2009
Derivatives designated as hedging instrument under SFAS 133							
Fair value hedges							
Interest rate swap fixed to floating on notional of \$50,000	LIBOR+4.17%	7.45%	N/A	Prepaid Expense	524		524
Interest rate swap fixed to floating on notional of \$50,000	LIBOR+3.42%	7.45%	N/A	Prepaid Expense	712		712
Intercompany balances, primarily short-term debt and related interest	C\$ 68,410	US\$ 63,224	0.9242	(Accrued Exp)		(317)	(317)
Derivatives not designated as hedging instrument under SFAS 133							
Diesel contracts	Fixed on 750K gal per month	Float on 750K gal per month	N/A	(Accrued Exp)		(1,217)	(1,217)
Merchandise purchase commitments	C\$ 227,502	US \$ 196,125	0.8621	(Accrued Exp)		(15,132)	(15,132)
	C\$ 2,283	€ 1,450	0.6351	(Accrued Exp)		(53)	(53)
	£ 24,316	US \$ 39,100	1.6080	(Accrued Exp)		(1,539)	(1,539)
	£ 27,485	US \$ 32,000	1.1643	Prepaid Expense/ (Accrued Exp)	11	(355)	(344)
	US \$ 334	€ 242	1.3805	Prepaid Expense	11	—	11
TOTAL FAIR VALUE OF ALL FINANCIAL INSTRUMENTS							<u>(17,355)</u>

[Table of Contents](#)

The fair values of the derivatives are classified as assets or liabilities, current or non-current, based upon valuation results and settlement dates of the individual contracts. Following are the balance sheet classifications of the fair value of TJX's derivatives:

In thousands	August 1, 2009
Current assets	\$ 1,258
Non-current assets	—
Current liabilities	(18,613)
Non-current liabilities	—
Net fair value asset (liability)	<u>\$ (17,355)</u>

The impact of derivative financial instruments on statements of income during fiscal 2010 is as follows:

In thousands	Location of Gain (Loss) Recognized in Income by Derivative	Amount of Gain (Loss) Recognized in Income by Derivative
Derivatives designated as hedging instrument under SFAS 133		
Fair value hedges		
Interest rate swap fixed to floating on notional of \$50,000	Interest expense, net	US\$ 541
Interest rate swap fixed to floating on notional of \$50,000	Interest expense, net	US\$ 730
Intercompany balances, primarily short-term debt and related interest	Selling, general & administrative expenses	US\$ (7,023)
Derivatives not designated as hedging instrument under SFAS 133		
Diesel contracts	Cost of sales, including buying and occupancy costs	US\$ 3,714
Merchandise purchase commitments	Cost of sales, including buying and occupancy costs	<u>US\$ (21,175)</u>
Gain (Loss) Recognized in Income		<u>(23,213)</u>

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 is not required by counterparties, and TJX does not require that counterparties, maintain collateral for these contracts. TJX periodically monitors its position and the credit ratings of the counterparties and does not anticipate losses resulting from the nonperformance of these institutions.

Note G. Segment Information

In the United States, T.J. Maxx and Marshalls stores are aggregated as the Marmaxx segment, and HomeGoods and A.J. Wright each is reported as a separate segment. TJX's stores operated in Canada (Winners and HomeSense) are reported in the Canadian segment and TJX's stores operated in Europe (T.K. Maxx and HomeSense) are reported in the European segment. TJX evaluates the performance of its segments based on "segment profit or loss," which TJX defines as pre-tax income before general corporate expense and interest. "Segment profit or loss" as defined by TJX may not be comparable to similarly titled measures used by other entities. In addition, this measure of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of TJX's performance or as a measure of liquidity.

Presented below is financial information on TJX's business segments:

In thousands	Thirteen Weeks Ended	
	August 1, 2009	July 26, 2008
Net sales:		
U.S. segments:		
Marmaxx	\$ 3,145,504	\$ 2,957,190
HomeGoods	412,837	350,433
A.J. Wright	181,927	160,461
International segments:		
Canada	495,671	538,694
Europe	511,589	547,617
	<u>\$4,747,528</u>	<u>\$4,554,395</u>
Segment profit (loss):		
U.S. segments:		
Marmaxx	\$ 358,351	\$ 298,062
HomeGoods	24,532	2,169
A.J. Wright	1,371	(765)
International segments:		
Canada	47,971	60,389
Europe	24,720	13,745
	<u>456,945</u>	<u>373,600</u>
General corporate expenses	34,595	33,584
Interest expense, net	9,249	2,641
Income from continuing operations before provision for income taxes	<u>\$ 413,101</u>	<u>\$ 337,375</u>

Table of Contents

In thousands	Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008
Net sales:		
U.S. segments:		
Marmaxx	\$ 6,083,813	\$ 5,759,480
HomeGoods	804,732	713,862
A.J. Wright	361,321	314,719
International segments:		
Canada	919,763	1,027,078
Europe	932,123	1,042,811
	<u>\$ 9,101,752</u>	<u>\$ 8,857,950</u>
Segment profit (loss):		
U.S. segments:		
Marmaxx	\$ 689,021	\$ 576,561
HomeGoods	40,105	11,063
A.J. Wright	5,784	(1,650)
International segments:		
Canada	67,698	101,286
Europe	34,013	15,208
	<u>836,621</u>	<u>702,468</u>
General corporate expenses	68,450	64,226
Interest expense, net	15,850	4,315
Income from continuing operations before provision for income taxes	<u>\$ 752,321</u>	<u>\$ 633,927</u>

Note H. Pension Plans & Other Retirement Obligations

The following represents TJX's net periodic pension cost and related components:

In thousands	Pension (Funded Plan)		Pension (Unfunded Plan)	
	Thirteen Weeks Ended		Thirteen Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Service cost	\$ 8,507	\$ 7,797	\$ 309	\$ 263
Interest cost	7,734	6,888	720	730
Expected return on plan assets	(7,511)	(8,592)	—	—
Amortization of prior service cost	4	15	31	31
Recognized actuarial losses	3,730	—	396	141
Settlement cost	—	—	840	—
Total expense	<u>\$ 12,464</u>	<u>\$ 6,108</u>	<u>\$ 2,296</u>	<u>\$ 1,165</u>

[Table of Contents](#)

In thousands	Pension (Funded Plan)		Pension (Unfunded Plan)	
	Twenty-six Weeks Ended August 1, 2009	July 26, 2008	Twenty-six Weeks Ended August 1, 2009	July 26, 2008
Service cost	\$ 16,132	\$ 15,594	\$ 547	\$ 525
Interest cost	15,783	13,777	1,460	1,460
Expected return on plan assets	(14,011)	(17,183)	—	—
Amortization of prior service cost	7	29	62	62
Recognized actuarial losses	6,803	—	570	282
Settlement cost	—	—	1,158	—
Total expense	<u>\$ 24,714</u>	<u>\$ 12,217</u>	<u>\$ 3,797</u>	<u>\$ 2,329</u>

In fiscal 2009 the Pension Protection Act (PPA) became effective in the U.S., and TJX's policy is to fund, at a minimum, the amount required to maintain a funded status of 75% to 80% of the pension liability as defined by the PPA. During the first quarter ended May 2, 2009, TJX contributed \$50 million to its funded plan and may make additional voluntary contributions during fiscal 2010. TJX anticipates making contributions of \$13.1 million to fund current benefit and expense payments under the unfunded plan in fiscal 2010.

Note I. Long-Term Debt & Credit Lines

TJX has a \$500 million revolving credit facility maturing May 2010 and a \$500 million revolving credit facility maturing May 2011. TJX pays six basis points on an annual basis in commitment fees related to both of these facilities. These agreements have no compensating balance requirements and have various covenants including a requirement of a specified ratio of debt to earnings. These agreements serve as back up to TJX's commercial paper program. TJX had no borrowings outstanding at August 1, 2009 or July 26, 2008. The availability under revolving credit facilities was \$1 billion at August 1, 2009 and July 26, 2008.

On April 7, 2009, TJX issued \$375 million of 6.95% ten-year notes and shortly thereafter called for the redemption of its zero coupon convertible subordinated notes, originally due in 2021. Upon our call for redemption, holders had the right to convert the notes into TJX common stock at a conversion rate of 32.667 shares per note. Virtually all of the subordinated notes were converted into 15.1 million shares of TJX common stock, most during the second quarter of fiscal 2010. TJX has used, and expects to use, the remainder of the proceeds from the 6.95% notes offering to repurchase additional common stock under its stock repurchase program in fiscal 2010.

On July 23, 2009, TJX issued \$400 million of 4.20% six-year notes. TJX used a portion of the proceeds from the sale of the notes to refinance its C\$235 million term credit facility on August 10, 2009, prior to its scheduled maturity, and expects to use the remainder, together with funds from operations to pay its \$200 million 7.45% notes due December 15, 2009 at maturity.

Note J. Income Taxes

TJX adopted the provisions of FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes" (FIN 48), in the first quarter of fiscal 2008. TJX had unrecognized tax benefits of \$129.7 million as of August 1, 2009 and \$131.6 million as of July 26, 2008.

The effective income tax rate was 36.7% for the second quarter this year compared to 37.1% for last year's second quarter. The decrease in this rate for the second quarter was largely driven by the favorable impact this year due to the tax treatment of foreign currency gains and losses on certain intercompany loans between TJX and Winners.

The effective income tax rate for the six months ended August 1, 2009 was 37.4% as compared to 35.3% for last year's comparable period as a result of the absence in fiscal 2010 of tax benefits included in the fiscal 2009 effective rate, partially offset by the favorable impact in the current year due to the tax treatment of foreign currency gains on certain intercompany loans. The six months ended July 26, 2008 included a \$15 million reversal of several uncertain

[Table of Contents](#)

tax positions as a result of federal and state filings and a \$4 million benefit due to revised guidance on the deductibility of performance-based pay for executive officers and on tax benefits relating to TJX's Puerto Rican subsidiary. On a combined basis, these tax benefits reduced the fiscal 2009 six-month effective income tax rate by 3.4 percentage points.

TJX is subject to U.S. federal income tax as well as income tax in multiple state, local and foreign jurisdictions. In nearly all jurisdictions, the tax years through fiscal 2001 are no longer subject to examination.

TJX's accounting policy classifies interest and penalties related to income tax matters as part of income tax expense. The accrued amounts for interest and penalties were \$53.0 million as of August 1, 2009 and \$44.3 million as of July 26, 2008.

Based on the outcome of tax examinations or judicial or administrative proceedings, or as a result of the expiration of statute of limitations in specific jurisdictions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those presented on the financial statements. During the next 12 months, it is reasonably possible that tax examinations of prior years' tax returns or judicial or administrative proceedings, that reflect such positions taken by TJX, may be finalized. As a result, the total net amount of unrecognized tax benefits may decrease, which would reduce the provision for taxes on earnings by a range of \$2.0 million to \$70.0 million.

Note K. Disclosures about Fair Value of Financial Instruments

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," (SFAS 157), which establishes a common definition for fair value to be applied to U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements. SFAS 157 was effective for financial assets and financial liabilities for fiscal years beginning after November 15, 2007. Issued in February 2008, FSP 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13" removed leasing transactions accounted for under FASB Statement No. 13 and related guidance from the scope of SFAS 157. FSP 157-2, "Partial Deferral of the Effective Date of Statement 157," deferred the effective date of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities except for those that are recognized at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008.

The implementation of SFAS 157 for financial assets and financial liabilities, effective January 27, 2008, did not have a material impact on TJX's consolidated financial position and results of operations. The implementation of SFAS 157 for nonfinancial assets and nonfinancial liabilities effective February 1, 2009, did not have a material impact on TJX's financial condition, results of operations or cash flows.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). SFAS 157 classifies the inputs used to measure fair value into the following hierarchy:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

TJX endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. TJX has determined that its financial assets and liabilities are generally classified within level 1 or level 2 in the fair

[Table of Contents](#)

value hierarchy. The following table sets forth TJX's financial assets and liabilities that are accounted for at fair value on a recurring basis:

In thousands	August 1, 2009	January 31, 2009	July 26, 2008
Level 1			
Assets:			
Cash equivalents	\$751,225	\$ 161,592	\$ 73,553
Executive savings plan	50,031	40,636	52,639
Level 2			
Assets:			
Foreign currency exchange contracts	\$ 22	\$ 9,534	\$ 44,252
Interest rate swaps	1,236	1,859	164
Liabilities:			
Foreign currency exchange contracts	\$ 17,396	\$ 1,435	\$147,370
Diesel fuel contracts	1,217	4,931	—
Interest rate swaps	—	—	1,514

The fair value of TJX's general corporate debt, including current installments, was estimated by obtaining market value quotes given the trading levels of other bonds of the same general issuer type and market perceived credit quality. The fair value of the current installments of long-term debt at August 1, 2009 was \$422.7 million versus a carrying value of \$418.9 million. The fair value of long-term debt at that date was \$805.8 million versus a carrying value of \$774.3 million. These estimates do not necessarily reflect provisions or restrictions in the various debt agreements that might affect TJX's ability to settle these obligations.

Our cash equivalents are stated at cost, which approximates fair market value due to the short maturities of these instruments.

Our executive savings plan is invested in securities traded in active markets and carried at unadjusted quoted prices.

As a result of its international operating and financing activities, TJX is exposed to market risks from changes in interest and foreign currency exchange rates, which may adversely affect its operating results and financial position. When it deems appropriate, TJX minimizes risks from interest and foreign currency exchange rate fluctuations through the use of derivative financial instruments. Derivative financial instruments are used to manage risk and are not used for trading or other speculative purposes and TJX does not use leveraged derivative financial instruments. The forward foreign currency exchange contracts and interest rate swaps are valued using broker quotations which include observable market information and, in the instance of one contract, proprietary models. TJX makes no adjustments to quotes or prices obtained from brokers or pricing services but does assess the credit risk of counterparties and will adjust final valuations when appropriate. Where independent pricing services provide fair values, TJX obtains an understanding of the methods used in pricing. As such, these derivative instruments are classified within level 2.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Thirteen Weeks (second quarter) and Twenty-Six Weeks (six months) Ended August 1, 2009
Compared to
The Thirteen Weeks (second quarter) and Twenty-Six Weeks (six months) Ended July 26, 2008

Business Overview

We are the leading off-price retailer of apparel and home fashions in the United States and worldwide. Our over 2,600 stores offer a rapidly changing assortment of quality, brand-name and designer merchandise at prices generally 20% to 60% below department and specialty store regular prices every day. We are known for our treasure hunt shopping experience and excellent values. The operating platforms and strategies of all of our retail concepts are synergistic. Therefore, we capitalize on our off-price expertise and systems throughout our business, leverage best practices, initiatives and new ideas across our concepts, utilize buying synergies of our concepts to enhance our global relationships with vendors, and develop talent by providing opportunities across our concepts.

We operate seven principal off-price retail concepts in the U.S., Canada and Europe. T.J. Maxx, Marshalls and A.J. Wright in the U.S., Winners in Canada, and T.K. Maxx in Europe sell off-price family apparel and home fashions. HomeGoods in the U.S. and HomeSense in Canada and the U.K. feature off-price home fashions. The target customer for all of our concepts, except A.J. Wright, includes the middle- to upper-middle income shopper, with generally the same profile as a department or specialty store customer. A.J. Wright is oriented toward the moderate-income customer.

Results of Operations

We entered fiscal 2010 faced with the challenges of a worldwide recession and established a three-pronged strategy for managing through the challenging economic times: plan same store sales conservatively, allowing better flow-through to the bottom line if we exceed plans; run with very lean inventories and buy closer to need than in the past, designed to increase inventory turns and drive traffic to our stores; and focus on cost cutting measures and controlling expenses. We posted second quarter and year-to-date results significantly above our expectations and ahead of last year. Highlights of our financial performance for fiscal 2010 include the following:

- Consolidated same store sales increased 4% for the second quarter and increased 3% for the six-month period over last year's comparable periods. Same store sales growth was driven by significant increases in customer traffic and strong performance by virtually all of our businesses.
- Net sales increased 4% to \$4.7 billion for the second quarter and 3% to \$9.1 billion for the six-month period over last year's comparable periods. Stores in operation and total selling square footage were both up 4% as of August 1, 2009 when compared to the same period last year. For both the quarter and six-month periods of fiscal 2010, increases in consolidated same store sales and the increases in our number of stores in operation were largely offset by foreign currency exchange rates, which negatively impacted sales growth.
- Our fiscal 2010 second quarter pre-tax margin (the ratio of pre-tax income to net sales) was 8.7% compared to 7.4% for the same period last year. Year-to-date, our pre-tax margin was 8.3% compared to 7.2% for the same period last year. The improvement in both the quarter and six-month periods of fiscal 2010 was primarily driven by the growth in merchandise margins, which was achieved through well executed buying and faster turning inventories.
- Our cost of sales ratios improved in both the second quarter and six month periods, primarily due to improved merchandise margins, partially offset by the negative impact of the mark-to-market adjustment of our inventory-related hedges. Selling, general and administrative expense ratios decreased by 0.1 percentage points for both the quarter and six month periods, due to leveraging of expenses.
- Income from continuing operations for the second quarter of fiscal 2010 was \$261.6 million, or \$0.61 per diluted share compared to \$212.1 million, or \$0.48 per diluted share, in last year's second quarter. Income from continuing operations for the six-months ended August 1, 2009 was \$470.8 million, or \$1.09 per

[Table of Contents](#)

diluted share compared to \$410.1 million, or \$0.92 per diluted share, for the same period last year. Diluted earnings per share from continuing operations for the six months ended July 26, 2008 benefited by \$0.02 from FIN 48 tax reserve adjustments.

- During the second quarter of fiscal 2010, we repurchased 6.4 million shares of our common stock at a cost of \$194 million, and for the first six months of fiscal 2010, we repurchased 8.0 million shares of our common stock at a cost of \$237 million. Diluted earnings per share reflect the benefit of the stock repurchase program. In conjunction with a \$375 million notes offering in our fiscal 2010 first quarter, we called for the redemption of our zero coupon convertible subordinated notes, originally due in 2021. Virtually all of the subordinated notes were converted into 15.1 million shares of TJX common stock. We have used a portion, and plan to use all, of the \$375 million proceeds from the notes offering to repurchase common stock under our stock repurchase program.
- Consolidated average per store inventories, including inventory on hand at our distribution centers, as of August 1, 2009 were down 4% from the prior year, and were down 2% as of July 26, 2008 from the comparable prior year's quarter end. Excluding the impact of foreign currency exchange, average per store inventories, including inventory on hand at our distribution centers, as of August 1, 2009 were down 2% compared to the prior year's quarter end.

The following is a discussion of our consolidated operating results, followed by a discussion of our segment operating results. All references to earnings per share are diluted earnings per share unless otherwise indicated.

Net sales: Consolidated net sales for the quarter ended August 1, 2009 were \$4.7 billion, up 4% from \$4.6 billion in last year's second quarter. The increase in our fiscal 2010 second quarter sales reflected a 4% increase from new stores and a 4% increase in same store sales, partially offset by a 4% decline from the negative impact of foreign currency exchange rates. This compares to sales growth of 7% in last year's second quarter which consisted of 3% from new stores, 3% from same store sales and a 1% positive impact from foreign currency exchange rates.

Consolidated net sales for the six months ended August 1, 2009 were \$9.1 billion, up 3% from \$8.9 billion in last year's comparable period. The increase in net sales for the six months ended August 1, 2009 reflected a 4% increase from new stores, a 3% increase in same store sales and 1% increase due to the shift in the fiscal calendar, partially offset by a 5% decline from the negative impact of foreign currency exchange rates. This compares to sales growth of 7% in last year's six-month period which consisted of 3% from new stores, 3% from same store sales and a 1% positive impact from foreign currency exchange rates.

New stores are a major source of sales growth. Both our consolidated store count and selling square footage increased by 4% as of August 1, 2009 as compared to the same period last year.

The same store sales increases for both the quarter and six months ended August 1, 2009 were driven by increased customer traffic across virtually all of our businesses and especially strong performance in our HomeGoods, A.J. Wright and European segments. Juniors, dresses, children's apparel, shoes and accessories performed particularly well. Home fashions, which had been negatively affected by the weak housing market, recorded strong same store sales increases in the second quarter. Geographically, sales in Europe were above the consolidated average, while Canadian sales trailed the consolidated average. In the U.S., sales were strong throughout the country with the stronger regions being the Midwest, Southwest and West Coast and weaker regions being New England and Florida.

We define same store sales to be sales of those stores that have been in operation for all or a portion of two consecutive fiscal years, or in other words, stores that are starting their third fiscal year of operation. We classify a store as a new store until it meets the same store criteria. We determine which stores are included in the same store sales calculation as of the beginning of each fiscal year, and the classification remains constant throughout that year, unless a store is closed. We calculate same store sales results by comparing the current and prior year weekly periods that are most closely aligned. Relocated stores and stores that are increased in size are generally classified in the same way as the original store, and we believe that the impact of these stores on the consolidated same store percentage is immaterial. Consolidated and divisional same store sales are calculated on a constant currency basis, which eliminates the effect of changes in currency exchange rates, and we believe it is a more accurate measure of the segment performance.

[Table of Contents](#)

The following table sets forth our consolidated operating results expressed as a percentage of net sales:

	Percentage of Net Sales Thirteen Weeks Ended		Percentage of Net Sales Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	74.4	75.7	74.8	75.9
Selling, general and administrative expenses	16.7	16.8	16.8	16.9
Interest expense, net	0.2	0.1	0.2	0.0
Income from continuing operations before provision for income taxes*	8.7%	7.4%	8.3%	7.2%

* Due to rounding, the individual items may not sum to Income from continuing operations before provision for income taxes.

Impact of foreign currency exchange rates: Our operating results can be materially affected by significant changes in foreign currency exchange rates, particularly the value of the U.S. dollar in relation to other currencies. Two of the more significant ways in which foreign currency impacts us are as follows:

Translation of foreign operating results into U.S. dollars: In our financial statements, we translate the operations of our stores in Canada and Europe from local currencies into U.S. dollars using currency rates in effect at different points in time. Significant changes in foreign exchange rates between comparable prior periods can result in meaningful variations in consolidated net sales, income from continuing operations and earnings per share growth as well as the net sales and operating results of our Canadian and European segments. Currency translation generally does not affect operating margins, as sales and expenses of the foreign operations are translated at essentially the same rates each period.

Inventory-related purchase commitment hedges: We routinely enter into inventory-related hedging instruments to mitigate the impact of foreign currency exchange rates on merchandise margins when our international divisions purchase goods in currencies other than their local currencies, (primarily U.S. dollar purchases). As we have not elected "hedge accounting" as defined by SFAS No. 133, we record a mark-to-market gain or loss on the hedging instruments in our results of operations at the end of each reporting period. In subsequent periods, the income statement impact of these adjustments is effectively offset when the inventory being hedged is sold. While these effects occur every reporting period, they are of much greater magnitude when there are sudden and significant changes in currency exchange rates during a short period of time. The mark-to-market adjustment on these hedges does not affect net sales, but it does affect cost, operating margins and reported earnings.

Cost of sales, including buying and occupancy costs: Cost of sales, including buying and occupancy costs, as a percentage of net sales, decreased 1.3 percentage points for the quarter ended August 1, 2009 as compared to the same period last year. Cost of sales, including buying and occupancy costs, as a percentage of net sales, decreased 1.1 percentage points for the first six months of fiscal 2010. The improvement in both periods was due to improved consolidated merchandise margin, which increased 1.4 percentage points for the second quarter and increased 1.3 percentage points for the six-month period. These increases were partially offset by the negative impact of the mark-to-market adjustments on inventory hedges in fiscal 2010. Merchandise margins improved at all segments except Canada, discussed in more detail under our Canadian segment below. Additionally, for the periods ending August 1, 2009, buying and occupancy expense leverage was offset by higher incentive and benefit plan accruals that are tied to performance. These plans cover many associates across our organization and the accruals are required due to operating results that are well ahead of our objectives.

Selling, general and administrative expenses: Selling, general and administrative expenses, as a percentage of net sales, decreased 0.1 percentage points to 16.7% for the quarter ended August 1, 2009 and decreased 0.1 percentage points to 16.8% for the six-month period ended August 1, 2009 as compared to the same periods last year. This improvement in the expense ratio is due to leveraging of expenses and savings from our expense reduction initiatives. The improvement in the second quarter was partially offset by approximately 0.3 percentage points as a result of higher incentive and benefit plan accruals tied to performance as discussed above. We anticipate a savings of approximately \$150 million for fiscal 2010 as a result of our expense reduction initiatives, some of which will benefit our cost of sales including buying and occupancy costs.

[Table of Contents](#)

Interest expense, net: Interest expense, net, amounted to expense of \$9.2 million for the second quarter of fiscal 2010 compared to expense of \$2.6 million for the same period last year. Interest expense, net, amounted to expense of \$15.9 million for the six months ended August 1, 2009 compared to expense of \$4.3 million for the same period last year. These increases in net interest expense were primarily due to a reduction in interest income for fiscal 2010 compared to the same periods last year. Interest income totaled \$2.4 million in the second quarter this year compared to \$6.5 million for the same period last year and \$4.7 million for the six-month period this year versus \$14.2 million for the same period last year. Additionally, interest expense increased in the second quarter due to the interest differential between the recently issued \$375 million 6.95% notes and the recently retired zero coupon subordinated notes which had an effective interest rate of approximately 2%. The incremental interest cost of the 6.95% notes will be offset by a benefit in our earnings per share as the majority of the incremental shares issued upon redemption of the convertible notes will be repurchased with proceeds of the new debt offering. Interest expense for the balance of fiscal 2010 will also include the cost of the \$400 million 4.20% six-year notes which were issued late in the second quarter. For more information on these notes offerings, see the discussion under *Liquidity and Capital Resources*.

Income taxes: The effective income tax rate was 36.7% for the second quarter this year compared to 37.1% for last year's second quarter. The decrease in rate for the second quarter was largely driven by the favorable impact this year due to the tax treatment of foreign currency gains on certain intercompany loans between TJX and Winners.

The effective income tax rate for the six months ended August 1, 2009 was 37.4% as compared to 35.3% for last year's comparable period, due to the absence of tax benefits included in the fiscal 2009 effective rate, partially offset by the favorable impact in the current year due to the tax treatment of foreign currency gains on certain intercompany loans. The six months ended July 26, 2008 included a \$15 million reversal of several uncertain tax positions as a result of federal and state filings and a \$4 million benefit due to revised guidance on the deductibility of performance-based pay for executive officers and tax benefits relating to TJX's Puerto Rican subsidiary. On a combined basis, these tax benefits reduced the fiscal 2009 six-month effective income tax rate by 3.4 percentage points.

Income from continuing operations: Income from continuing operations for the second quarter ended August 1, 2009 was \$261.6 million, or \$0.61 per diluted share, versus \$212.1 million, or \$0.48 per diluted share, in last year's second quarter. Changes in foreign currency rates affected the comparability of results. Foreign currency translation reduced our fiscal 2010 second quarter earnings by \$0.02 per share as compared to last year's second quarter, and the mark-to-market adjustment of our inventory hedges reduced earnings per share by \$0.01 per share in the second quarter of fiscal 2010. Changes in foreign currency rates did not impact last year's second quarter earnings per share.

Income from continuing operations for the six months ended August 1, 2009 was \$470.8 million, or \$1.09 per diluted share, versus \$410.1 million, or \$0.92 per diluted share, for the same period last year. Foreign currency translation reduced our fiscal 2010 year-to-date earnings per share by \$0.04 per share as compared to the same period last year, and the mark-to-market adjustment of our inventory hedges reduced earnings per share by \$0.03 for the six-months ended August 1, 2009 as compared to a reduction of \$0.01 in the same period last year. Additionally, last year's year-to-date period included a \$0.02 per share benefit from first quarter FIN 48 tax reserve adjustments.

Our share repurchase program also affects the comparability of earnings per share. We repurchased 6.4 million shares of our stock at a cost of \$193.8 million in the second quarter of fiscal 2010, and we repurchased 8.0 million shares at a cost of \$236.7 million in the first six months of fiscal 2010. During the second quarter of fiscal 2009, we repurchased 7.0 million shares of our common stock at a cost of \$225.0 million, and for the first six months of fiscal 2009, we repurchased 14.0 million shares of our common stock at a cost of \$450.0 million.

Discontinued operations and net income: All historical income statements have been adjusted to reflect the sale of Bob's Stores in fiscal 2009 as discontinued operations. Including the impact of discontinued operations, net income was \$261.6 million, or \$0.61 per share, for the second quarter of fiscal 2010, compared to \$200.2 million, or \$0.45 per share, for the same period last year. Net income was \$470.8 million, or \$1.09 per share, for the six months ended August 1, 2009, compared to \$394.1 million, or \$0.88 per share, for the same period last year.

[Table of Contents](#)

Segment information: The following is a discussion of the operating results of our business segments. In the U.S., we have three segments: our T.J. Maxx and Marshalls stores are aggregated as the Marmaxx segment, and HomeGoods and A.J. Wright each is reported as a separate segment. TJX's stores operated in Canada (Winners and HomeSense) are reported as the Canadian segment, and TJX's stores operated in Europe (T.K. Maxx and HomeSense) are reported as the European segment. We evaluate the performance of our segments based on "segment profit or loss," which we define as pre-tax income before general corporate expense, any Provision for Computer Intrusion related costs and interest. "Segment profit or loss," as we define the term, may not be comparable to similarly titled measures used by other entities. In addition, this measure of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of our performance or as a measure of liquidity. Presented below is selected financial information related to our business segments:

U.S. Segments:

Marmaxx

Dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	\$ 3,145.5	\$ 2,957.2	\$ 6,083.8	\$ 5,759.5
Segment profit	\$ 358.4	\$ 298.1	\$ 689.0	\$ 576.6
Segment profit as a percentage of net sales	11.4%	10.1%	11.3%	10.0%
Percent increase in same store sales	4%	3%	3%	2%
Stores in operation at end of period				
T.J. Maxx			882	859
Marshalls			811	787
Total Marmaxx			<u>1,693</u>	<u>1,646</u>
Selling square footage at end of period (in thousands)				
T.J. Maxx			20,714	20,285
Marshalls			20,455	20,023
Total Marmaxx			<u>41,169</u>	<u>40,308</u>

Net sales for Marmaxx increased 6% for the second quarter and six-month period of fiscal 2010 as compared to the same periods last year. Same store sales for Marmaxx increased 4% in the second quarter and 3% for the first six-months of fiscal 2010.

Sales at Marmaxx for both the second quarter and six-month periods reflected increased customer traffic, partially offset by a decrease in the amount of the average transaction. Categories that posted strong same store sales increases included juniors, dresses, children's apparel, footwear and accessories. Home categories improved at Marmaxx during the second quarter reporting a same store sales increase just slightly below the chain average. Geographically, same store sales were strongest in the Midwest and Southeast, while New England and Florida were below the chain average for both the second quarter and first half of fiscal 2010.

Segment profit for the second quarter ended August 1, 2009 grew to \$358.4 million, a 20% increase compared to last year's second quarter. Segment profit as a percentage of net sales ("segment profit margin" or "segment margin") increased to 11.4% from 10.1% last year. Segment profit for the six months ended August 1, 2009 increased to \$689.0 million, up 20% compared to the same period last year. Segment profit margin was 11.3% for the six-month period in fiscal 2010 versus 10.0% last year. The increase in segment margin for both periods was driven by improved merchandise margins, which were up 1.7 percentage points for the second quarter and 1.5 percentage points for the six months ended August 1, 2009. The improvement in segment margin for this year's second quarter and six-month periods was partially offset by an increase in administrative costs as a percentage of sales, primarily due to increased costs of incentive and benefit plans tied to performance and required due to this division's performance in excess of our objectives.

[Table of Contents](#)

As of August 1, 2009, Marmaxx's average per store inventories, including inventory on hand at its distribution centers, were flat as compared to inventory levels at the same time last year. This compares to average per store inventories at July 26, 2008 that were down 2% compared to those of the prior year period. As of August 1, 2009 Marmaxx also had fewer dollars committed as inventory on hand and merchandise on order was down on a per store basis from the end of last year's second quarter.

Marmaxx also operates 3 ShoeMegaShop by Marshalls, a family shoe concept, in a stand-alone format, which are included in the above store totals.

HomeGoods

Dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	\$412.8	\$350.4	\$804.7	\$713.9
Segment profit	\$ 24.5	\$ 2.2	\$ 40.1	\$ 11.1
Segment profit as a percentage of net sales	5.9%	0.6%	5.0%	1.5%
Percent increase (decrease) in same store sales	9%	(1)%	4%	1%
Stores in operation at end of period			323	297
Selling square footage at end of period (in thousands)			6,340	5,691

HomeGoods' net sales for the second quarter of fiscal 2010 increased 18% compared to the same period last year, and for the first six months of fiscal 2010, net sales increased 13% over the same period last year. Same store sales increased 9% for the second quarter of fiscal 2010, versus a decrease of 1% for the same period last year. Segment margin for the quarter and six-month periods was significantly up from the same periods last year. The majority of the increase in segment margin was driven by increased merchandise margin along with the effective expense control associated primarily with operational efficiencies and the leveraging of expenses due to strong same store sales. The increase in merchandise margin was driven by improved inventory management resulting in lower markdowns as well as a higher markon.

A.J. Wright

Dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	\$181.9	\$160.5	\$361.3	\$314.7
Segment profit (loss)	\$ 1.4	\$ (0.8)	\$ 5.8	\$ (1.7)
Segment profit (loss) as a percentage of net sales	0.8%	(0.5)%	1.6%	(0.5)%
Percent increase in same store sales	5%	6%	9%	6%
Stores in operation at end of period			141	132
Selling square footage at end of period (in thousands)			2,808	2,631

A.J. Wright's net sales increased 13% and 15% for the second quarter and six-month periods ending August 1, 2009 as compared to the same periods last year. Segment profit increased to \$1.4 million in the second quarter and \$5.8 million in the six-month period, compared to losses in the same periods last year. Segment margin increased in both the quarter and six-month periods due to improved merchandise margin and expense leverage. We believe we have been able to achieve better merchandising and improved advertising effectiveness due to an improved understanding of A.J. Wright's customers' tastes and spending habits.

[Table of Contents](#)

International Segments:

Canada

U.S. Dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	\$ 495.7	\$ 538.7	\$ 919.8	\$ 1,027.1
Segment profit	\$ 48.0	\$ 60.4	\$ 67.7	\$ 101.3
Segment profit as a percentage of net sales	9.7%	11.2%	7.4%	9.9%
Percent increase in same store sales	1%	6%	1%	5%
Stores in operation at end of period				
Winners			206	196
HomeSense			75	73
Total			<u>281</u>	<u>269</u>
Selling square footage at end of period (in thousands)				
Winners			4,727	4,502
HomeSense			1,437	1,398
Total			<u>6,164</u>	<u>5,900</u>

Net sales for the Canadian segment decreased 8% for the second quarter ended August 1, 2009 versus last year's second quarter and decreased 10% for the six-month period versus the same period last year. The decrease was entirely due to foreign currency translation, which reduced second quarter sales by approximately \$60 million and reduced six-month sales by approximately \$160 million. Same store sales were up 1% for both the second quarter and six-month periods of fiscal 2010.

Segment profit decreased \$12 million for the second quarter of fiscal 2010 and decreased by \$34 million for the six-month period ended August 1, 2009. The reduction was primarily due to foreign currency translation and the mark-to-market adjustment on inventory-related hedges. Segment margin decreased 1.5 percentage points to 9.7% for this year's second quarter and decreased 2.5 percentage points to 7.4% for the six-month period ended August 1, 2009. Currency exchange translation reduced segment profit by \$7 million for the second quarter and \$15 million for the six-month period of fiscal 2010 compared to the same periods in the prior year; however, because currency translation generally impacts both sales and expenses, it had little or no impact on segment margin. In addition, the mark-to-market adjustment on inventory-related hedges negatively impacted segment profit comparisons in the second quarter of fiscal 2010 by \$6 million and segment margin by 1.2 percentage points. For the six months ended August 1, 2009 the mark-to-market adjustment on inventory-related hedges negatively impacted segment profit comparisons by \$16 million and segment margin by 1.8 percentage points. Segment margin for the both the second quarter and six-month period of fiscal 2010 also reflected a reduction in merchandise margin due to higher cost for merchandise purchases denominated in U.S. dollars as a result of the weaker Canadian dollar.

In the third quarter of fiscal 2009, Winners opened a new concept called StyleSense, which offers family footwear and accessories. As of the end of the second quarter of fiscal 2010, we operated three StyleSense stores which are included in the Winners totals in the above table.

[Table of Contents](#)

Europe

U.S. Dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
Net sales	\$ 511.6	\$ 547.6	\$ 932.1	\$ 1,042.8
Segment profit	\$ 24.7	\$ 13.7	\$ 34.0	\$ 15.2
Segment profit as a percentage of net sales	4.8%	2.5%	3.6%	1.5%
Percent increase in same store sales	6%	5%	6%	5%
Stores in operation at end of period				
T.K. Maxx			244	231
HomeSense			8	6
Total			<u>252</u>	<u>237</u>
Selling square footage at end of period (in thousands)				
T.K. Maxx			5,671	5,268
HomeSense			123	88
Total			<u>5,794</u>	<u>5,356</u>

European net sales for the second quarter of fiscal 2010 decreased 7% and for the six months ended August 1, 2009, European net sales decreased 11% compared to the same periods last year. Currency exchange translation negatively impacted the fiscal 2010 results. European net sales were reduced by \$112 million and \$263 million for the second quarter and six-month periods of fiscal 2010, respectively, due to currency exchange translation. Same store sales increased 6% for both the second quarter and six-month period this year compared to a same store sales increase of 5% for each period last year.

Segment profit for the second quarter ended August 1, 2009 increased to \$24.7 million and for the first six months increased to \$34.0 million. Segment margin increased to 4.8% for the second quarter of fiscal 2010 and increased to 3.6% for the first six months of fiscal 2010 as compared to the same periods last year. Currency exchange translation negatively affected segment profit by approximately \$6 million in the second quarter of fiscal 2010 and \$11 million for the six-month period compared to prior year. The mark-to-market adjustment for inventory-related hedges had virtually no impact on fiscal 2010 segment profit and segment margin comparisons. The increases in segment margin reflected improved merchandise margins, as well as expense leverage in occupancy costs and distribution center costs, partially offset by expansion costs for European development.

General corporate expense

In millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 1, 2009	July 26, 2008	August 1, 2009	July 26, 2008
General corporate expense	\$34.6	\$33.6	\$68.5	\$64.2

General corporate expense for segment reporting purposes refers to those costs not specifically related to the operations of our business segments and is included in selling, general and administrative expenses. General corporate expense was relatively flat for the second quarter of fiscal 2010 compared to the same period last year. General corporate expense includes restructuring costs related to our expense reduction initiatives of \$1 million for the fiscal 2010 second quarter and \$3 million for the current year-to-date period..

Analysis of Financial Condition*Liquidity and Capital Resources*

Net cash provided by operating activities was \$705 million for the six months ended August 1, 2009, an increase of \$237 million over the \$468 million provided for the six months ended July 26, 2008. Net income, together with the non-cash impact of depreciation and the Bob's Stores impairment charge of \$16 million last fiscal year, provided cash of \$680 million in fiscal 2010, compared to \$610 million last year. The change in deferred income taxes favorably impacted cash flows this year by \$108 million compared to a favorable benefit of \$60 million last year. The increase in the favorable cash impact due to deferred taxes is primarily attributable to accelerated tax depreciation and the funding of our pension plan. Also favorably impacting this year's cash flow from operations as compared to the prior year was the change in merchandise inventory, net of the related change in accounts payable, which resulted in an increase in cash of \$14 million in fiscal 2010, compared to a use of cash of \$139 million last year. This year's cash flow also benefited from a favorable change of \$112 million due to the timing of our payments on current federal and state income taxes. Partially offsetting the favorable changes in cash flows was an unfavorable change in accrued expenses and other liabilities of \$105 million. This fiscal year, the decrease in accrued expenses reflected the unfavorable cash impact of \$88 million for checks outstanding (book overdrafts on zero balance cash accounts) that was accrued as of the end of fiscal 2009 along with \$50 million of voluntary funding of our pension plan.

Investing activities relate primarily to property additions for new stores, store improvements and renovations and investment in our distribution network. Cash outlays for property additions amounted to \$164 million in the six months ended August 1, 2009, compared to \$259 million in the same period last year. We anticipate that capital spending for fiscal 2010 will be approximately \$450 to \$475 million. Investing activities also reflects the net purchase of \$124 million of short-term investments that had an initial maturity in excess of three months and which, per our policy, are not classified as cash on the balance sheet.

Cash flows from financing activities for the six months ended August 1, 2009 include the net proceeds of \$774 million from two debt offerings. On April 7, 2009 we issued \$375 million of 6.95% ten-year notes. Related to this transaction, TJX called for the redemption of its zero coupon convertible subordinated notes, which were virtually all converted into 15.1 million shares of common stock by May 8, 2009. We have used a portion of the proceeds of the 6.95% notes to repurchase additional shares of common stock under our stock repurchase program and expect to use the remainder for this purpose during fiscal 2010. On July 23, 2009 we issued \$400 million of 4.2% six-year notes. We used a portion of the proceeds of this offering to refinance our C\$235 million term credit facility on August 10, 2009, prior to its scheduled maturity, and plan to use the remainder, together with funds from operations, to pay our 7.45% notes due December 15, 2009 at maturity.

We continued our share repurchase program, and during the six months ended August 1, 2009, we repurchased and retired 8.0 million shares of our common stock at a cost of \$237 million. We record the repurchase of our stock on a cash basis, and the amounts reflected in the financial statements may vary from the above due to the timing of the settlement of our repurchases. In the six months ended July 26, 2008, we repurchased and retired 14.0 million shares of our common stock at a cost of \$450 million. As of August 1, 2009, \$508 million remained available for purchase under the current \$1 billion program. The timing of purchases under this program is determined by TJX from time to time based on its assessment of various factors including excess cash flow, liquidity and market conditions. Lastly, financing activities included \$69 million of proceeds from the exercise of stock options in the first six months this year compared to \$100 million last year, and dividends paid on common stock were \$97 million for the first six months this year versus \$85 million last year.

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. We have a \$500 million revolving credit facility maturing May 5, 2010 and a \$500 million revolving credit facility maturing May 5, 2011. These agreements have no compensating balance requirements and have various covenants including a requirement of a specified ratio of debt to earnings. These agreements serve as backup to our commercial paper program. We had no outstanding short-term borrowings at August 1, 2009 and July 26, 2008. The availability under revolving credit facilities was \$1 billion at August 1, 2009 and July 26, 2008. We believe internally generated funds and our revolving credit facilities are more than adequate to meet our operating needs.

Contractual obligations: The following contractual obligations have changed significantly since the filing of our Annual Report on Form 10-K on March 31, 2009. As such, as of August 1, 2009, we had payment obligations (including current installments) under long-term debt arrangements that will require cash outflows as follows (in thousands):

Tabular Disclosure of Contractual Obligations	Total	Payments Due by Period			
		Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-term debt obligations including estimated interest and current installments	\$ 1,562,105	\$ 469,255	\$ 85,725	\$ 85,725	\$ 921,400

The long-term debt obligations above include estimated interest costs.

[Table of Contents](#)

Provision for Computer Intrusion related costs: In the second quarter of fiscal 2008, we established a reserve to reflect our estimate of our probable losses in accordance with generally accepted accounting principles with respect to the Computer Intrusion. As of August 1, 2009, our reserve balance was \$27.2 million, which reflects our current estimate of remaining probable losses with respect to the Computer Intrusion, including litigation, proceedings and other claims, as well as legal, monitoring, reporting and other costs. As an estimate, our reserve is subject to uncertainty, our actual costs may vary from our current estimate and such variations may be material. We may decrease or increase the amount of our reserve as a result of developments in litigation and claims, related expenses, receipt of insurance proceeds and for other changes.

Recently Issued Accounting Pronouncements

See *New Accounting Standards* in Note A to our unaudited consolidated financial statements included in this quarterly report for recently issued accounting standards, including the expected dates of adoption and estimated effects on our consolidated financial statements.

Forward-looking Statements

Various statements made in this Quarterly Report on Form 10-Q 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: effects of current economic environment; matters relating to the computer intrusion(s) including potential losses that could differ from our reserve, potential effects on our reputation and sales, compliance with orders, and other consequences to the value of our Company and related value of our stock; our ability to successfully expand our store base and increase comparable store sales; risks of expansion and costs of contraction; risks inherent in foreign operations; our ability to successfully implement our opportunistic buying strategies and to manage our inventories effectively; successful advertising and promotion; consumer confidence, demand, spending habits and buying preferences; effects of unseasonable weather; competitive factors; availability of store and distribution center locations on suitable terms; our ability to recruit and retain associates; factors affecting expenses; success of our acquisition and divestiture activities; our ability to successfully implement technologies and systems and protect data; our ability to continue to generate adequate cash flows; our ability to execute our share repurchase program; availability and cost of financing; general economic conditions, including fluctuations in the price of oil; potential disruptions due to wars, natural disasters and other events beyond our control; changes in currency and exchange rates; issues with merchandise quality and safety; import risks; adverse outcomes for any significant litigation; compliance with and changes in laws and regulations and accounting rules and principles; adequacy of reserves; asset impairments and other charges; closing adjustments; failure to meet market expectations; 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 in such statements will not be realized.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We do not enter into derivatives for speculative or trading purposes.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange rate risk on our investment in our Canadian and European operations on the translation of these foreign operations into the U.S. dollar and on purchases by our operations of goods in currencies that are not their local currencies. As more fully described in Notes A and E to the consolidated financial statements to the Annual Report on Form 10-K for the fiscal year ended January 31, 2009, we hedge certain merchandise purchase commitments incurred by these operations, with derivative financial instruments. We enter into derivative contracts only when there is an underlying economic exposure. We utilize currency forward and swap contracts, designed to offset the gains or losses in the underlying exposures. 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 currency exchange rates applied to the hedging contracts and the underlying exposures described above as well as the translation of our foreign operations into our reporting currency. As of August 1, 2009, the analysis indicated that such an adverse movement would not have a material effect on our consolidated financial position but could have reduced our pre-tax income from continuing operations for the six months ended August 1, 2009 by approximately \$4 million.

Interest Rate Risk

Our 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 us. In addition, changes in the gross amount of our borrowings and future changes in interest rates will affect our future interest expense. We occasionally enter into financial instruments to manage our cost of borrowing; however, we believe that the use of primarily fixed rate debt minimizes our exposure to market conditions. We have performed a sensitivity analysis assuming a hypothetical 10% adverse movement in interest rates applied to the maximum variable rate debt outstanding. As of August 1 2009, the analysis indicated that such an adverse movement would not have a material effect on our consolidated financial position, results of operations or cash flows.

Equity Price Risk

The assets of our qualified pension plan, a large portion of which is invested in equity securities, are subject to the risks and uncertainties of the financial markets. We allocate the pension assets in a manner that attempts to minimize and control our exposure to market uncertainties. Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. As a result of the significant decline in the financial markets in 2009, the value of our pension plan assets decreased, which substantially increased the unfunded status of our plan and reduced shareholders' equity on our balance sheet.

Item 4. Controls and Procedures

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of August 1, 2009 pursuant to Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Act"). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. There were no changes in our internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Act) during the fiscal quarter ended August 1, 2009 identified in connection with the evaluation by our management, including our Chief Executive Officer and Chief Financial Officer that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION**Item 1. Legal Proceedings.**

On June 23, 2009, TJX settled with a multi-state group of 41 Attorneys General, resolving the States' investigations with respect to the Computer Intrusion. Under the settlement, TJX agreed to (i) provide \$2.5 million to establish a new Data Security Fund for use by the States to advance effective data security and technology, (ii) provide a settlement amount of \$5.5 million and cover expenses of \$1.75 million related to the States' investigations, (iii) certify that TJX's computer system meets detailed security requirements specified by the States, and (iv) encourage the development of new technologies to address systemic vulnerabilities in the United States payment card system.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended January 31, 2009, as filed with the SEC on March 31, 2009.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds*Information on Share Repurchases*

The number of shares of common stock repurchased by TJX during the second quarter of fiscal 2010 and the average price paid per share are as follows:

	Total Number of Shares Repurchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program (3)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased Under the Plans or Programs
May 3, 2009 through May 30, 2009	1,954,138	\$28.16	1,954,138	\$646,975,954
May 31, 2009 through July 4, 2009	3,155,311	\$30.47	3,155,311	\$550,820,701
July 5, 2009 through August 1, 2009	1,293,076	\$32.98	1,293,076	\$508,179,780
Total:	6,402,525		6,402,525	

(1) All shares were purchased as part of publicly announced plans.

(2) Average price paid per share includes commissions and is rounded to the nearest two decimal places.

Table of Contents

- (3) The \$194 million in stock repurchases were made under the multi-year stock repurchase plan of \$1 billion, authorized by our Board of Directors in February 2008, under which \$508 million remained as of August 1, 2009. The stock repurchase plan has no expiration date.

Item 4 Submission of Matters to a Vote of Security Holders

We held our Annual Meeting of Stockholders on June 2, 2009. The following actions were taken at the Annual Meeting:

<u>Election of Directors</u>	<u>For</u>	<u>Withheld</u>
Jose B. Alvarez	359,049,520	13,742,736
Alan M. Bennett	370,149,313	2,642,943
David A. Brandon	282,905,868	89,886,388
Bernard Cammarata	365,991,838	6,800,418
David T. Ching	360,235,971	12,556,285
Michael F. Hines	370,061,672	2,730,584
Amy B. Lane	370,163,070	2,629,186
Carol Meyrowitz	366,185,480	6,606,776
John F. O'Brien	361,947,795	10,844,461
Robert F. Shapiro	364,585,861	8,206,395
Willow B. Shire	353,265,781	19,526,475
Fletcher H. Wiley	354,899,844	17,892,412

Proposal 2

Approval of amendments to and performance terms of the Stock Incentive Plan:

For	283,154,632
Against	67,142,945
Abstain	365,875

Proposal 3

Ratification of appointment of independent registered public accounting firm:

For	363,422,092
Against	9,153,238
Abstain	216,926

Item 6. Exhibits

- 10.1 The TJX Companies, Inc. Stock Incentive Plan (2009 Restatement), as amended through June 2, 2009.
- 10.2 Employment Agreement dated as of June 2, 2009 between Bernard Cammarata and The TJX Companies, Inc.
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101 The following materials from The TJX Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended August 1, 2009, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statement of Shareholders Equity, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text.

SIGNATURE

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

THE TJX COMPANIES, INC.

(Registrant)

Date: August 28, 2009

/s/ Jeffrey G. Naylor

Jeffrey G. Naylor, Chief Financial and Administrative Officer

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	The TJX Companies, Inc. Stock Incentive Plan (2009 Restatement), as amended through June 2, 2009.
10.2	Employment Agreement dated as of June 2, 2009 between Bernard Cammarata and The TJX Companies, Inc.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
101	The following materials from The TJX Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended August 1, 2009, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statement of Shareholders Equity, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text.

THE TJX COMPANIES, INC.
STOCK INCENTIVE PLAN
(2009 Restatement)

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1. NAME; EFFECTIVE DATE; GENERAL PURPOSE	2
SECTION 2. PLAN ADMINISTRATION	2
SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION	3
SECTION 4. ELIGIBILITY	4
SECTION 5. DURATION OF AWARDS; TERM OF PLAN	4
SECTION 6. STOCK OPTIONS; SARs	4
SECTION 7. OTHER STOCK-BASED AWARDS	7
SECTION 8. PERFORMANCE AWARDS	12
SECTION 9. TRANSFER, LEAVE OF ABSENCE	13
SECTION 10. AMENDMENTS AND TERMINATION	14
SECTION 11. STATUS OF PLAN	14
SECTION 12. CHANGE OF CONTROL PROVISIONS	14
SECTION 13. GENERAL PROVISIONS.	15
SECTION 14. DEFINITIONS	16

THE TJX COMPANIES, INC.
STOCK INCENTIVE PLAN
(2009 Restatement)

SECTION 1. NAME; EFFECTIVE DATE; GENERAL PURPOSE

The name of the plan is The TJX Companies, Inc. Stock Incentive Plan (the "Plan"). The Plan is an amendment and restatement of The TJX Companies, Inc. Stock Incentive Plan as most recently previously amended in 2006. The provisions of the Plan as herein amended and restated shall apply to Awards made after January 31, 2009 (the "Adoption Date"), except that the definition of "Change of Control" as set forth herein shall apply to all Awards outstanding on the Adoption Date and the clarifications and related rules set forth herein that are related to Section 409A of the Code shall apply effective as of January 1, 2008.

The purpose of the Plan is to secure for The TJX Companies, Inc. (the "Company") and its stockholders the benefit of the incentives inherent in stock ownership and the receipt of incentive awards by selected key employees and directors of the Company and its Subsidiaries who contribute to and will be responsible for its continued long term growth. The Plan is intended to motivate such individuals to enhance the long-term value of the Company by providing an opportunity for capital appreciation and to recognize services that contribute materially to the success of the Company. Capitalized terms used in the Plan shall have the meaning set forth in Section 14.

SECTION 2. PLAN ADMINISTRATION

The Plan shall be administered by the Executive Compensation Committee of the Board or such other committee of the Board as the Board may from time to time determine (the "Committee"). The Committee shall consist of not fewer than two directors, each of whom is both a Non-Employee Director and an Outside Director. If at any time the Committee shall include one or more members who are not Non-Employee Directors or Outside Directors, a subcommittee consisting solely of two or more individuals who are both Non-Employee Directors and Outside Directors shall constitute the Committee for purposes of the immediately preceding sentence. If at any time no Committee shall be in office, the functions of the Committee shall be exercised by the independent Directors.

The Committee shall have the power and authority to: grant Awards consistent with the terms of the Plan, including the power and authority to select from among those eligible the persons to whom Awards may from time to time be granted; determine the time or times of grant of any Awards; to determine the number of shares to be covered by any Award; determine the terms and conditions of any Award; adopt such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; interpret the terms and provisions of the Plan and any Award; prescribe such forms and agreements as it deems advisable in connection with any Award; make all determinations it deems advisable for the administration of the Plan; decide all disputes arising in connection with the Plan; and otherwise

supervise the administration of the Plan. All decisions and interpretations of the Committee shall be binding on all persons, including the Company and Participants.

SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION.

(a) Shares Issuable. The maximum number of shares of Stock (“Share Limit”) that may be issued under Awards shall be the sum of (i) 28,000,000 plus (ii) the number of shares of Stock subject to Awards outstanding as of the Adoption Date. For the avoidance of doubt, if a New Award is forfeited, expires, or is satisfied without the issuance of Stock, the shares of Stock subject to such New Award shall not be treated as issued for purposes of the preceding sentence. Each share issued under a New Award that is a Stock Option or SAR shall reduce the Share Limit by one (1) share, and each share of Stock issued under any other New Award (unless reacquired by the Company through forfeiture) shall reduce the Share Limit by one and thirteen one-hundredths (1.13) shares. Subject to the Share Limit, no more than 27,500,000 shares of Stock in the aggregate may be issued pursuant to NSOs, and no more than 27,500,000 shares of Stock (less the number of shares issued pursuant to NSOs) in the aggregate may be issued pursuant to the exercise of ISOs. The number of shares of Stock subject to each of Stock Options, SARs and Performance Awards that may be awarded to any Participant during any consecutive three-year period commencing after the Adoption Date shall be limited to 8,000,000 shares each. Shares issued under the Plan may be authorized but unissued shares or shares reacquired by the Company. The Company shall appropriately reserve shares in connection with the grant of Awards to reflect the limitations set forth above.

(b) Stock Dividends, Mergers, etc. In the event of a stock dividend, stock split, reverse stock split or similar change in capitalization, or extraordinary dividend or distribution or restructuring transaction affecting the Stock, the Committee shall make appropriate adjustments in the number and kind of shares of stock or securities on which Awards may thereafter be granted, including the limits described in Section 3(a) and Section 7(c), and shall make such adjustments in the number and kind of shares remaining subject to outstanding Awards, and the option or purchase price in respect of such shares as it may deem appropriate with a view toward preserving the value of outstanding awards. In the event of any merger, consolidation, dissolution or liquidation of the Company, the Committee in its sole discretion may, as to any outstanding Awards, make such substitution or adjustment in the aggregate number of shares reserved for issuance under the Plan and in the number and purchase price (if any) of shares subject to such Awards as it may determine, or accelerate, amend or terminate such Awards upon such terms and conditions as it shall provide (which, in the case of the termination of the vested portion of any Award, shall require payment or other consideration which the Committee deems equitable in the circumstances), subject, however, to the provisions of Section 12.

(c) Substitute Awards. The Company may grant Awards under the Plan in conversion, replacement or adjustment of outstanding options or other equity-based compensation awards held by employees of another corporation who become employees or Eligible Directors of the Company or a Subsidiary as described in the first sentence of Section 4 as the result of a merger or consolidation of the employing corporation or an affiliate with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of stock of the employing corporation or an

affiliate. The Committee may direct that the converted, replacement or adjusted awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances to reflect the transaction. The shares which may be delivered under such substitute Awards shall be in addition to the limitations set forth in Section 3(a) on the number of shares available for issuance under Awards, and such substitute Awards shall not be subject to the per-Participant Award limits described in Section 3(a).

SECTION 4. ELIGIBILITY.

Participants in the Plan will be (i) such full or part time officers and other key employees of the Company and its Subsidiaries who are selected from time to time by the Committee in its sole discretion, and (ii) Eligible Directors. Persons who are not employees of the Company or a subsidiary (within the meaning of Section 424 of the Code) shall not be eligible to receive grants of ISOs.

SECTION 5. DURATION OF AWARDS; TERM OF PLAN.

(a) Duration of Awards. Subject to Sections 13(a) and 13(e) below, no Stock Option or SAR may remain exercisable beyond 10 years from the grant date, and no other Award shall have a vesting or restriction period that extends beyond 10 years from the grant date, except that deferrals elected by Participants of the receipt of Stock or other benefits under the Plan may extend beyond such date.

(b) Latest Grant Date. No Award shall be granted after June 2, 2019, but then outstanding Awards may extend beyond such date.

SECTION 6. STOCK OPTIONS; SARs.

Any Stock Option or SAR granted under the Plan shall be in such form as the Committee may from time to time approve. Stock Options granted under the Plan may be either ISOs or NSOs. Any Stock Option that is not expressly designated as an ISO at time of grant shall be deemed to have been expressly designated at time of grant as an NSO. Anything in the Plan to the contrary notwithstanding, no term of this Plan relating to ISOs shall be interpreted, amended or altered, nor shall any discretion or authority granted to the Committee under the Plan be exercised, so as to disqualify the Plan or, without the consent of the optionee, any ISO under Section 422 of the Code.

Stock Options granted under the Plan shall be subject to the provisions of Sections 6(a) through Section 6(k) below; SARs shall be subject to the provisions of Section 6(l) below; and Stock Options and SARs shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Option Price. The option price per share of Stock purchasable under a Stock Option shall be determined by the Committee at the time of grant but shall be not less than 100% of Fair Market Value on the date of grant.

(b) Exercisability. Stock Options shall be exercisable at such time or times, whether or not in installments, as shall be determined by the Committee at or after the grant date. The Committee may at any time accelerate the exercisability of all or any portion of any Stock Option.

(c) Method of Exercise. The person holding a Stock Option may exercise the Stock Option in whole or in part by means of such exercise procedures as the Committee may from time to time establish, each of which shall require, as the Committee determines, delivery to the Committee of the full purchase price plus (as provided in Section 13(d)) any taxes required to be withheld in connection with the exercise, or delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay such purchase price and taxes, for the portion of Stock Option so exercised. If so permitted by the Committee in its discretion and subject to such limitations and restrictions as the Committee may impose, payment in full or in part of the exercise price or payment of withholding taxes (as provided in Section 13(d)) may also be made in the form of shares of Stock not then subject to restrictions under any Company plan. The person holding a Stock Option shall have the rights of a shareholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(d) Non-transferability of Options. No ISO (and, except as determined by the Committee, no NSO) shall be transferable by the person to whom such Stock Option was granted otherwise than by will or by the laws of descent and distribution, and all ISOs (and, except as determined by the Committee, all NSOs) shall be exercisable during the lifetime of the person to whom such Stock Options were granted only by such person. Transfers, if any, permitted by the Committee in the case of NSOs shall be limited to gratuitous transfers (transfers not for value). Where an NSO is permitted by the Committee to be transferred, references in the Plan to the "person to whom the Stock Option was granted" and similar terms shall be construed, as the Committee in its discretion deems appropriate, to include any permitted transferee to whom the Stock Option is transferred.

(e) Termination by Death. If the employment by the Company and its Subsidiaries of a person to whom a Stock Option was granted terminates by reason of death, the Stock Option may thereafter be exercised, to the extent exercisable immediately prior to death (or on such accelerated or other basis as the Committee shall at any time determine), by the legal representative or legatee of the decedent, for a period of five years (or such shorter period as the Committee shall specify at time of grant) from the date of death or until the expiration of the stated term of the option, if earlier.

(f) Termination by Reason of Disability. If the employment by the Company and its Subsidiaries of a person to whom a Stock Option was granted terminates by reason of Disability, or if such person has been designated an inactive employee by reason of Disability, any Stock Option previously granted to such person may thereafter be exercised to the extent it was exercisable immediately prior to the earlier of such termination or such designation (or on such accelerated or other basis as the Committee shall at any time determine prior to such termination or designation), by the person to whom the Stock Option was granted or, in the event of his or her death following termination, by his or her legal representative or legatee, for a period of five

years (or such shorter period as the Committee shall specify at time of grant) from the date of such termination of employment or designation or until the expiration of the stated term of the option, if earlier. Except as otherwise provided by the Committee at the time of grant, the death during the final year of such exercise period of the person to whom such Stock Option was granted shall, if such person still holds such Stock Option, extend such period for one year following death or until the expiration of the stated term of the option, if earlier. The Committee shall have the authority to determine whether a Participant has been terminated or designated an inactive employee by reason of Disability and the date of such termination or designation.

(g) Termination by Reason of Normal Retirement. If the employment by the Company and its Subsidiaries of a person to whom a Stock Option has been granted terminates by reason of Normal Retirement, the Stock Option may thereafter be exercised to the extent that it was then exercisable immediately prior to such termination (or on such accelerated or other basis as the Committee shall at any time determine), by the person to whom the Stock Option was granted or, in the event of his or her death following Normal Retirement, by his or her legal representative or legatee, for a period of five years (or such shorter period as the Committee shall specify at time of grant) from the date of Normal Retirement or until the expiration of the stated term of the option, if earlier. Except as otherwise provided by the Committee at the time of grant, the death during the final year of such exercise period of the person to whom such Stock Option was granted shall extend such period for one year following death, subject to termination on the expiration of the stated term of the option, if earlier.

(h) Termination by Reason of Special Service Retirement. If the employment by the Company and its Subsidiaries of a person to whom a Stock Option has been granted terminates by reason of a Special Service Retirement, the Stock Option may thereafter be exercised (to the extent exercisable from time to time during the extended exercise period as hereinafter determined), by the person to whom the Stock Option was granted or, in the event of his or her death following the Special Service Retirement, by his or her legal representative or legatee, for a period of five years (or such shorter period as the Committee shall specify at time of grant) from the date of the Special Service Retirement or until the expiration of the stated term of the option, if earlier. Except as otherwise provided by the Committee at the time of grant, the death during the final year of such exercise period of the person to whom such Stock Option was granted shall extend such period for one year following death or until the expiration of the stated term of the option, if earlier. A Stock Option that is outstanding but not yet fully exercisable at the date of the Special Service Retirement of the person to whom the Stock Option was granted shall continue to become exercisable, over the period of three years following the Special Service Retirement Date (subject to the stated term of the option, or on such accelerated or other basis as the Committee shall at any time determine), on the same basis as if such person had not retired.

(i) Other Termination. If the employment by the Company and its Subsidiaries of a person to whom a Stock Option has been granted terminates for any reason other than death, Disability, Normal Retirement, Special Service Retirement or for Cause, the Stock Option may thereafter be exercised to the extent it was exercisable on the date of termination of employment (or on such accelerated basis as the Committee shall determine at or after grant) for a period of three months (or such other period up to three years as the Committee shall specify at or after

grant), by the person to whom the Stock Option was granted or, in the event of his or her death following termination, by his or her legal representative or legatee, from the date of termination of employment or until the expiration of the stated term of the option, if earlier. If the employment of such person terminates or is terminated for Cause, the unexercised portion of any Stock Option previously granted to such person shall immediately terminate.

(j) Form of Settlement. Subject to Section 13(a) and Section 13(e) below, shares of Stock issued upon exercise of a Stock Option shall be free of all restrictions under the Plan, except as provided in the following sentence. The Committee may provide at time of grant that the shares to be issued upon the exercise of a Stock Option shall be in the form of Restricted Stock, or may reserve the right to so provide after time of grant.

(k) Discretionary Payments; Automatic Exercise. The Committee may, in its discretion, upon the written request of the person exercising a Stock Option (which request shall not be binding on the Committee, except as hereinafter provided), cancel such Stock Option, whereupon the Company shall pay to the person exercising such Stock Option an amount equal to the excess, if any, of the Fair Market Value of the Stock to have been purchased pursuant to such exercise of such Stock Option (determined on the date the Stock Option is canceled) over the aggregate consideration to have been paid by such person upon such exercise. Such payment shall be by check, bank draft or in Stock (or in another form of payment acceptable both to the Committee and the person exercising the option) having a Fair Market Value (determined on the date the payment is to be made) equal to the amount of such payments or any combination thereof, as determined by the Committee. If a Stock Option remains unexercised on the date it would otherwise have expired and if on such date the Fair Market Value of the shares subject to the Stock Option exceeds the aggregate consideration that would have been required to have been paid to purchase such shares had the Stock Option been exercised, the person then holding the Stock Option shall be deemed to have requested, and the Committee shall be deemed to have approved, a cancellation of such Stock Option in accordance with the first sentence of this Section 6(k) and the amount payable pursuant to the first sentence of this Section 6(k) shall be paid in the form of shares of Stock in accordance with the first sentence of this Section 6(k).

(l) SARs. An SAR is an award entitling the recipient to receive an amount in cash or shares of Stock (or in any other form of payment acceptable to the Committee) or a combination thereof having a value determined by reference to (and not to exceed) the excess of the Fair Market Value of a share of Stock on the date of exercise over the Fair Market Value of a share of Stock on the date of grant (or over the option exercise price, if the SAR was granted in tandem with a Stock Option). The Committee shall determine all terms of SARs granted under the Plan. SARs may be granted in tandem with, or independently of, any Stock Option granted under the Plan. Any SAR granted in tandem with ISOs shall comply with the ISO rules relating to tandem SARs. The Committee may at any time accelerate the exercisability of all or any portion of any SAR.

SECTION 7. OTHER STOCK-BASED AWARDS.

(a) Nature of Stock Awards. Awards under this Section 7 include Awards other than Stock Options or SARs that entitle the recipient to acquire for a purchase price (which may be

zero) shares of Stock subject to restrictions under the Plan (including a right on the part of the Company during a specified period to repurchase such shares at their original purchase price, or to require forfeiture if the purchase price was zero, upon the Participant's termination of employment) determined by the Committee ("Restricted Stock"); Awards that entitle the recipient, with or without payment, to the future delivery of shares of Stock, subject to such conditions and restrictions as may be determined by the Committee ("Stock Units"); and other Awards under which Stock may be acquired or which are otherwise based on the value of Stock.

(b) Rights as a Shareholder. A Participant shall have all the rights of a shareholder, including voting and dividend rights, (i) only as to shares of Stock received by the Participant under an Other Stock-based Award, and (ii) in any case, subject to such nontransferability restrictions, Company repurchase or forfeiture rights, and other conditions as are made applicable to the Award.

(c) Restrictions. The Committee may determine the conditions under which an Other Stock-based Award, or Stock acquired under an Other Stock-based Award, shall be forfeited, and may at any time accelerate, waive or, subject to Section 10, amend any or all of such limitations or conditions. Each Other Stock-based Award shall specify the terms on which such Award or the shares under such Award shall vest (become free of restrictions under the Plan), which may include, without limitation, terms that provide for vesting on a specified date or dates, vesting based on the satisfaction of specified performance conditions, and accelerated vesting in the event of termination of employment under specified circumstances. The Committee shall take such steps as it determines to be appropriate to reflect any restrictions applicable to an Other Stock-based Award or the shares thereunder and to facilitate the recovery by the Company of any such Award or shares that are forfeited.

Notwithstanding the foregoing, no grants of Full Value Awards, other than grants made in connection with a Participant's commencement of employment with the Company or any Subsidiary, shall specify a vesting date that is less than three years from the date of grant except as follows: (i) the vesting date may be one year (or a greater period) from the date of grant in the case of a Full Value Award subject to the attainment of performance goals, (ii) Full Value Awards may be granted which specify full vesting in no less than three years and partial vesting at a rate no faster than one-third of such shares each year, (iii) Full Value Awards may provide for accelerated vesting in the event of death, disability, retirement or a Change of Control, and (iv) Full Value Awards may be granted without regard to the foregoing limitations provided that the maximum number of shares subject to such Awards granted after the Adoption Date, when no longer subject to restrictions under the Plan, does not exceed 3,000,000 shares.

Except as otherwise determined by the Committee, (A) neither any Other Stock-based Award nor any unvested Restricted Stock acquired under an Other Stock-based Award may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein, and (B) in the event of termination of employment with the Company and its Subsidiaries for any reason, any shares of Restricted Stock that are not then vested (taking into account any accelerated vesting applicable to such shares under the terms of the Award or otherwise) shall be resold to the Company at their purchase price or forfeited to the Company if the purchase price was zero. The Committee at any time may accelerate the vesting

date or dates for an Other Stock-based Award or for Restricted Stock, if any, granted thereunder and may otherwise waive or, subject to Section 10, amend any conditions of the Award. Neither the Committee nor the Company shall be liable for any adverse tax or other consequences to a Participant from any such acceleration, waiver, or amendment.

(d) Dividends; Dividend Equivalents. Except as otherwise determined by the Committee, a Participant's rights under an Other Stock-based Award to dividends (or dividend equivalent payments, in the case of an Other Stock-based Award, if any, other than Restricted Stock, that is subject to vesting conditions and as to which the Committee has made provision for such payments) shall be treated as unvested so long as such Award remains unvested (the "restricted period"), and any such dividends or dividend equivalent payments that would otherwise have been paid during the restricted period shall instead be accumulated and paid within thirty (30) days following the date on which such Award is determined by the Company to have vested.

(e) Annual Deferred Stock Awards, Additional Deferred Stock Awards and Dividend Awards for Eligible Directors.

(i) Accounts. The Company shall establish and maintain an Account in the name of each Eligible Director to which the Annual Deferred Stock Awards, Additional Deferred Stock Awards and Dividend Awards shall be credited.

(ii) Annual Awards. On the date of each Annual Meeting, each Eligible Director who is elected a Director at such Annual Meeting shall automatically and without further action by the Board or Committee be granted an Annual Deferred Stock Award as provided in subsection (iv) and an Additional Deferred Stock Award as provided in subsection (v). On each date other than the date of an Annual Meeting on which an Eligible Director is first elected a Director by the Board, the Eligible Director then so elected shall automatically and without further action by the Board or Committee be granted a prorated Annual Deferred Stock Award as provided in subsection (iv) and a prorated Additional Deferred Stock Award as provided in subsection (v). The grant of each Annual Deferred Stock Award and Additional Deferred Stock Award shall entitle each recipient, automatically and without further action by the Board or the Committee, to Dividend Awards as provided in subsection (vi).

(iii) Nature of Awards. Each Annual Deferred Stock Award, Additional Deferred Stock Award and Dividend Award shall be an Other Stock-based Award subject to the terms of this Plan and shall constitute an unfunded and unsecured promise of the Company to deliver in the future to such Eligible Director, without payment, the number of shares of Stock in the amounts and at the times hereinafter provided. The shares of Stock notionally credited to the Accounts of Eligible Directors shall be notional shares only and shall not entitle the Eligible Director to any voting rights, dividend or distribution or other rights except as expressly set forth herein. Nothing herein shall obligate the Company to issue or

set aside shares of Stock, in trust or otherwise, to meet its contractual obligations hereunder.

- (iv) Annual Deferred Stock Award. In respect of each Annual Deferred Stock Award granted on the date of an Annual Meeting, the Company shall credit to each Eligible Director's Account, effective as of the date of such Annual Meeting, the number of notional shares of Stock, including any fractional share, equal to \$100,000 or such lesser dollar amount as may be determined by the Board divided by the Fair Market Value of a share of Stock on the date of such Annual Meeting. In respect of each Annual Deferred Stock Award granted on a date other than the date of an Annual Meeting, the Company shall credit to the Account of the Eligible Director first elected on such date the number of notional shares of Stock, including any fractional share, equal to (i) \$100,000 or such lesser dollar amount as may be determined by the Board divided by the Fair Market Value of a share of Stock on the date of such first election multiplied by (ii) the quotient (not greater than one) obtained by dividing (A) the number of days starting with the date of such first election and ending on the day first preceding the anticipated date of the next Annual Meeting, by (B) 365.
- (v) Additional Deferred Stock Award. In addition to the Annual Deferred Stock Award, the Company shall credit to the Account of each Eligible Director, effective as of the date that any Annual Deferred Stock Award is credited to such Account, an Additional Deferred Stock Award covering the same number of shares as are covered by such Annual Deferred Stock Award determined in the same manner prescribed in subsection (iv) above.
- (vi) Dividend Awards. The Company shall credit (each such credit, a "Dividend Award") the Account of each Eligible Director on the date of each Annual Meeting and on the date on which an Eligible Director ceases to be a Director if not the date of an Annual Meeting with a number of notional shares of Stock, including any fractional share, equal to (i) plus (ii), divided by (iii), where:
 - (i) is the product obtained by multiplying the number of shares then allocated to such Eligible Director's Account (disregarding, for purposes of this clause (i), any shares credited to such Account since the date of the immediately preceding Annual Meeting) by the aggregate per-share amount of dividends for which the record date occurred since the date of the immediately preceding Annual Meeting;
 - (ii) is the product obtained by multiplying the number of shares first credited to such Eligible Director's Account since the date of the immediately preceding Annual Meeting but prior to the date of such Dividend Award by the aggregate per-share amount of dividends for which the record date occurred since the date that such shares were credited to such Account; and

- (iii) is the Fair Market Value of one share of Stock on the date of such Dividend Award.
- (vii) Vesting. Each Annual Deferred Stock Award, and any Dividend Awards in respect of Annual Deferred Stock Awards and/or Additional Deferred Stock Awards, shall vest immediately upon grant and be non-forfeitable. Each Additional Deferred Stock Award shall vest and become non-forfeitable on the date immediately preceding the date of the Annual Meeting next succeeding the date of grant of such Award; *provided*, that the recipient is still a Director on such date. In the event that an Eligible Director terminates his or her service as a Director for any reason prior to such vesting date, the Eligible Director shall forfeit any then unvested Additional Deferred Stock Award.
- (viii) Delivery. The Company shall deliver to an Eligible Director (or a former Eligible Director) the number of shares of Stock, rounded up to the next full share, represented by notional shares of Stock credited to the Account of such Eligible Director in respect of Annual Deferred Stock Awards (including any Dividend Awards made in respect of such Annual Deferred Stock Awards) at the earlier of the following: (x) immediately prior to a Change of Control or (y) within sixty (60) days following the Eligible Director's death or earlier separation from service (as determined under the regulations under Section 409A of the Code). With respect to any Additional Deferred Stock Award, absent an election to defer delivery of the shares of Stock subject to such Award pursuant to subsection (ix) below, the Company shall deliver to an Eligible Director the number of shares of Stock, rounded up to the next full share, represented by notional shares of Stock credited to the Account of such Eligible Director in respect of such Additional Deferred Stock Award (including any Dividend Awards made in respect of such Additional Deferred Stock Award) at the earlier of the following: (x) immediately prior to a Change of Control or (y) within sixty (60) days following the date of vesting pursuant to subsection (vii) above. In the event of a termination by reason of death, such shares of Stock shall be delivered to such beneficiary or beneficiaries designated by the Eligible Director in writing in such form, and delivered prior to his or her death to such person at the Company, as specified by the Company or, in the absence of such a designation, to the legal representative of Eligible Director's estate.
- (ix) Deferral of Delivery of Additional Deferred Stock Awards. By filing a written notice to the Company in such form, and delivered to such person at the Company, as specified by the Company, an Eligible Director may irrevocably elect to defer receipt of the delivery of shares of Stock representing all or a portion of the notional shares of Stock subject to any Additional Deferred Stock Award (including any Dividend Awards made in respect of such notional shares) until the earlier of the following: (x) immediately prior to a Change of Control or (y) as soon as practicable and in all events within sixty (60) days following the

Eligible Director's death or earlier separation from service (as determined under the regulations under Section 409A of the Code). Any election made pursuant to this subsection (ix) must be submitted with respect to any Additional Deferred Stock Award (A) in the case of the Additional Deferred Stock Award granted on the date an Eligible Director is first elected as a Director, no later than 30 days after the date of such Eligible Director's election to the Board or (B) in the case of any other Additional Deferred Stock Award, no later than December 31 of the calendar year preceding the calendar year in which such Award is granted, or (C) at such other time as is necessary to satisfy the requirements of Section 409A of the Code, as determined by the Committee.

SECTION 8. PERFORMANCE AWARDS.

(a) Nature of Performance Awards. A Performance Award is an award entitling the recipient to acquire cash or shares of Stock, or a combination of cash and Stock, upon the attainment of specified performance goals. If the grant, vesting, or exercisability of a Stock Option, SAR, or Other Stock-Based Award is conditioned upon attainment of a specified performance goal or goals, it shall be treated as a Performance Award for purposes of this Section and shall be subject to the provisions of this Section in addition to the provisions of the Plan applicable to such form of Award.

(b) Qualifying and Nonqualifying Performance Awards. Performance Awards may include Awards intended to qualify for the performance-based compensation exception under Section 162(m)(4)(C) of the Code ("Qualifying Awards") and Awards not intended so to qualify ("Nonqualifying Awards").

(c) Terms of Performance Awards. The Committee in its sole discretion shall determine the performance goals applicable under each such Award, the periods during which performance is to be measured, and all other limitations and conditions applicable to the Award. Performance Awards may be granted independently or in connection with the granting of other Awards. In the case of a Qualifying Award (other than a Stock Option), the following special rules shall apply: (i) the Committee shall preestablish the performance goals and other material terms of the Award not later than the latest date permitted under Section 162(m) of the Code; (ii) the performance goal or goals fixed by the Committee in connection with the Award shall be based exclusively on one or more Approved Performance Criteria; (iii) no payment (including, for this purpose, vesting or exercisability where vesting or exercisability, rather than the grant of the Award, is linked to satisfaction of performance goals) shall be made unless the preestablished performance goals have been satisfied and the Committee has certified (pursuant to Section 162(m) of the Code) that they have been satisfied; (iv) no payment shall be made in lieu or in substitution for the Award if the preestablished performance goals are not satisfied (but this clause shall not limit the ability of the Committee or the Company to provide other remuneration to the affected Participant, whether or not under the Plan, so long as the payment of such remuneration would not cause the Award to fail to be treated as having been contingent on the preestablished performance goals) and (v) in all other respects the Award shall be construed and administered consistent with the intent that any compensation under the Award be treated as performance-based compensation under Section 162(m)(4)(C) of the Code.

(d) Rights as a Shareholder. A Participant shall have all the rights of a shareholder, including voting and dividend rights, (i) only as to shares of Stock received by the Participant under a Performance Award, and (ii) in any case, subject to such nontransferability restrictions, Company repurchase or forfeiture rights, and other conditions as are made applicable to the Award. Notwithstanding the foregoing and for the avoidance of doubt, in the case of any Performance Award that is also an Other Stock-based Award, the limitations of Section 7(d) (providing that rights to dividends and dividend equivalents shall remain unvested until the underlying Stock or rights to Stock are vested) shall apply to any right to dividends or dividend equivalent payments hereunder.

(e) Termination. Except as may otherwise be provided by the Committee (consistent with Section 162(m) of the Code, in the case of a Qualifying Award), a Participant's rights in all Performance Awards shall automatically terminate upon the Participant's termination of employment by the Company and its Subsidiaries for any reason (including death).

(f) Acceleration, Waiver, etc. The Committee may in its sole discretion (but subject to Section 162(m) of the Code, in the case of a Qualifying Award) accelerate, waive or, subject to Section 10, amend any or all of the goals, restrictions or conditions imposed under any Performance Award. Neither the Committee nor the Company shall be liable for any adverse tax or other consequences to a Participant from any such acceleration, waiver, or amendment.

SECTION 9. TRANSFER, LEAVE OF ABSENCE.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

- (a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another;
- (b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, but in each case only if the employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

For purposes of the Plan, the employees of a Subsidiary of the Company shall be deemed to have terminated their employment on the date on which such Subsidiary ceases to be a Subsidiary of the Company. Subject to the foregoing, an individual's employment with the Company and its Subsidiaries shall be considered to have terminated on the last day of his or her actual employment, whether such day is determined by agreement between the Company or a Subsidiary and the individual or unilaterally, and whether such termination is with or without notice, and no period of advance notice, if any, that is or ought to have been given under applicable law in respect of such termination of employment shall be taken into account in determining the individual's entitlements, if any, under the Plan or any Award.

Notwithstanding the foregoing, in the case of any Award that is subject to the requirements of Section 409A of the Code, “termination of employment” shall mean a separation from service (as determined under the regulations under Section 409A of the Code).

SECTION 10. AMENDMENTS AND TERMINATION.

The Board or the Committee may at any time amend or discontinue the Plan and the Committee may at any time amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially adversely affect rights under any outstanding Award without the holder’s consent. However, no such amendment shall be effective unless approved by stockholders if it would (i) reduce the exercise price of any option previously granted hereunder or otherwise constitute a repricing requiring stockholder approval under applicable New York Stock Exchange rules, or (ii) effect a change which, in the determination of the Committee, would jeopardize the qualification of an Award that the Committee has determined is intended to qualify (and to continue to qualify) as an ISO or as exempt performance-based compensation under Section 162(m) of the Code.

Notwithstanding any provision of this Plan, the Board or the Committee may at any time adopt any subplan or otherwise grant Stock Options or other Awards under this Plan having terms consistent with applicable foreign tax or other foreign regulatory requirements or laws.

SECTION 11. STATUS OF PLAN.

With respect to the portion of any Award which has not been exercised and any payments in cash, stock or other consideration not received by a Participant, a Participant shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the Company’s obligations to deliver Stock or make payments with respect to awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the provision of the foregoing sentence.

SECTION 12. CHANGE OF CONTROL PROVISIONS.

As used herein, a Change of Control and related definitions shall have the meanings set forth in Exhibit A to this Plan.

Upon the occurrence of a Change of Control:

- (i) Each Stock Option shall automatically become fully exercisable unless the Committee shall otherwise expressly provide at the time of grant.
- (ii) Restrictions and conditions on Other Stock-based Awards (including without limitation Restricted Stock) and Performance Awards shall automatically be deemed waived unless the Committee shall otherwise expressly provide at the time of grant.

The Committee may at any time prior to or after a Change of Control accelerate the exercisability of any Stock Options and may waive restrictions, limitations and conditions on Other Stock-based Awards (including without limitation Restricted Stock) and Performance Awards to the extent it shall in its sole discretion determine.

SECTION 13. GENERAL PROVISIONS.

(a) No Distribution; Compliance with Legal Requirements, etc. The Committee may require each person acquiring shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof. No shares of Stock shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) References to Employment. Wherever reference is made herein to “employee,” “employment” (or correlative terms), except in Section 4, the term shall be deemed to include both common law employees and others.

(c) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board of Directors from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of the Plan does not confer upon any employee any right to continued employment with the Company or a Subsidiary, nor does it interfere in any way with the right of the Company or a Subsidiary to terminate the employment of any of its employees at any time.

(d) Tax Withholding, etc. Each Participant shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the Participant for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. The Company may withhold or otherwise administer the Plan to comply with tax obligations under any applicable foreign laws.

The Committee may provide, in respect of any transfer of Stock under an Award, that if and to the extent withholding of any Federal, state or local tax is required in respect of such transfer or vesting, the Participant may elect, at such time and in such manner as the Committee shall prescribe, to (i) surrender to the Company Stock not then subject to restrictions under any Company plan or (ii) have the Company hold back from the transfer or vesting Stock having a value calculated to satisfy such withholding obligation. In no event shall Stock be surrendered under clause (i) or held back by the Company under clause (ii) in excess of the minimum amount required to be withheld for Federal, state and local taxes.

Except as otherwise expressly provided by the Committee in any case, all Awards under the Plan that are not exempt from the requirements of Section 409A of the Code shall be construed to comply with the requirements of Section 409A of the Code and any discretionary authority of the Committee or the Company with respect to an Award that is intended to be exempt from or in compliance with the requirements of Section 409A of the Code shall be exercised in a manner that is consistent with such intent. Notwithstanding the foregoing, neither the Company nor any Subsidiary, nor any officer, director or employee of the Company or any Subsidiary, nor the Board or the Committee or any member of either, shall be liable to the Participant or any beneficiary of a Participant by reason of any additional tax (whether or not under Section 409A of the Code), including any interest or penalty, resulting from any exercise of discretion or other action or failure to act by any of the Company, any Subsidiary, any such officer, director or employee, or the Board or the Committee, or by reason of the failure of an Award to qualify for an exemption from, or to comply with the requirements of, Section 409A of the Code, or for any cost or expense incurred in connection with any action by any taxing authority related to any of the foregoing.

(e) Deferral of Awards. Participants may elect to defer receipt of Awards or vesting of Awards only in such cases and to the extent that the Committee shall determine at or after the grant date.

SECTION 14. DEFINITIONS.

The following terms shall be defined as set forth below:

(a) "Account" means a bookkeeping account established and maintained under Section 7(e) in the name of each Eligible Director to which Annual Deferred Stock Awards, Additional Deferred Stock Awards, and Dividend Awards are credited hereunder.

(b) "Act" means the Securities Exchange Act of 1934.

(c) "Additional Deferred Stock Award" means an Award granted to an Eligible Director pursuant to Section 7(e)(v).

(d) "Adoption Date" is defined in Section 1.

(e) "Annual Deferred Stock Award" means an Award granted to an Eligible Director pursuant to Section 7(e)(iv).

(f) "Annual Meeting" shall mean the annual meeting of stockholders of the Company.

(g) "Approved Performance Criteria" means criteria based on any one or more of the following (on a consolidated, divisional, line of business, geographical or area of executive's responsibilities basis): one or more items of or within (i) sales, revenues, assets or expenses; (ii) earnings, income or margins, before or after deduction for all or any portion of interest, taxes, depreciation, or amortization, whether or not on a

continuing operations, or aggregate or per share basis; (iii) return on investment, capital, assets, sales or revenues; and (iv) stock price; in each case with such inclusions thereto or exclusions therefrom as the Committee may determine in a manner consistent with Section 162(m) of the Code. In determining whether a performance goal based on one or more Approved Performance Criteria has been satisfied for any period, any extraordinary item, change in generally accepted accounting principles, or change in law (including regulations) that would affect the determination as to whether such performance goal had been achieved will automatically be disregarded or taken into account, whichever would cause such performance goal to be more likely to be achieved, and to the extent consistent with Section 162(m) of the Code the Committee may provide for other objectively determinable and nondiscretionary adjustments; provided, that nothing herein shall be construed as limiting the Committee's authority to reduce or eliminate a Performance Award (including, without limitation, by restricting vesting under any such Award) that would otherwise be deemed to have been earned.

(h) "Award" or "Awards" except where referring to a particular category of grant under the Plan shall include Stock Options, SARs, Other Stock-based Awards and Performance Awards.

(i) "Board" means the Board of Directors of the Company.

(j) "Cause" means (i) as to any Participant who at the relevant time is party to an employment, severance, or similar agreement with the Company or a Subsidiary that contains a definition of "cause" (including any similar term used in connection with a for-cause involuntary termination), the definition set forth in such agreement, and (ii) in every other case, a felony conviction of a Participant or the failure of a Participant to contest prosecution for a felony, or a Participant's willful misconduct or dishonesty, any of which is directly harmful to the business or reputation of the Company or any Subsidiary.

(k) "Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

(l) "Committee" means the Committee referred to in Section 2.

(m) "Company" means The TJX Companies, Inc.

(n) "Director" means a member of the Board.

(o) "Disability" means disability as determined in accordance with standards and procedures similar to those used under the Company's long term disability program.

(p) "Dividend Award" means an Award granted to an Eligible Director pursuant to Section 7(e)(vi).

(q) "Eligible Director" means a Director who is not employed (other than as a Director) by the Company or by any Subsidiary.

(r) "Fair Market Value" on any given date means the last sale price regular way at which Stock is traded on such date as reflected in the New York Stock Exchange Composite Transactions Index or, where applicable, the value of a share of Stock as determined by the Committee in accordance with the applicable provisions of the Code.

(s) "Full Value Award" means an Award other than a Stock Option or an SAR.

(t) "ISO" means a Stock Option intended to be and designated as an "incentive stock option" as defined in the Code.

(u) "Non-Employee Director" shall have the meaning set forth in Rule 16b-3(b)(3) promulgated under the Act, or any successor definition under the Act.

(v) "NSO" means any Stock Option that is not an ISO.

(w) "Normal Retirement" means retirement from active employment with the Company and its Subsidiaries at or after age 65 with at least five years of service for the Company and its Subsidiaries as specified in The TJX Companies, Inc. Retirement Plan.

(x) "Other Stock-based Award" means an Award of one of the types described in Section 7.

(y) "Outside Director" means a member of the Board who is treated as an "outside director" for purposes of Section 162(m) of the Code.

(z) "Participant" means a participant in the Plan.

(aa) "Performance Award" means an Award described in Section 8.

(bb) "Plan" is defined in Section 1.

(cc) "Restricted Stock" is defined in Section 7(a).

(dd) "SAR" means an Award described in Section 6(l).

(ee) "Stock Unit" is defined in Section 7(a).

(ff) "Share Limit" is defined in Section 3(a).

(gg) "Special Service Retirement" means retirement from active employment with the Company and its Subsidiaries (i) at or after age 60 with at least twenty years of service for the Company and its Subsidiaries, or (ii) at or after age 65 with at least ten years of service for the Company and its Subsidiaries.

(hh) "Stock" means the Common Stock, \$1.00 par value, of the Company, subject to adjustments pursuant to Section 3.

(ii) "Stock Option" means any option to purchase shares of Stock granted pursuant to Section 6.

(jj) "Subsidiary" means any corporation or other entity (other than the Company) in an unbroken chain beginning with the Company if each of the entities (other than the last entity in the unbroken chain) owns stock or other interests possessing 50% or more of the total combined voting power of all classes of stock or other interest in one of the other corporations or other entities in the chain.

DEFINITION OF “CHANGE OF CONTROL”

“Change of Control” shall mean the occurrence of any one of the following events:

(a) there occurs a change of control of the Company of a nature that would be required to be reported in response to Item 5.01 of the Current Report on Form 8-K (as amended in 2004) pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”) or in any other filing under the Exchange Act; provided, however, that if the Participant or a Participant Related Party is the Person or a member of a group constituting the Person acquiring control, a transaction shall not be deemed to be a Change of Control as to a Participant unless the Committee shall otherwise determine prior to such occurrence; or

(b) any Person other than the Company, any wholly-owned subsidiary of the Company, or any employee benefit plan of the Company or such a subsidiary becomes the owner of 20% or more of the Company’s Common Stock and thereafter individuals who were not directors of the Company prior to the date such Person became a 20% owner are elected as directors pursuant to an arrangement or understanding with, or upon the request of or nomination by, such Person and constitute a majority of the Company’s Board of Directors; provided, however, that unless the Committee shall otherwise determine prior to the acquisition of such 20% ownership, such acquisition of ownership shall not constitute a Change of Control as to a Participant if the Participant or a Participant Related Party is the Person or a member of a group constituting the Person acquiring such ownership; or

(c) there occurs any solicitation or series of solicitations of proxies by or on behalf of any Person other than the Company’s Board of Directors and thereafter individuals who were not directors of the Company prior to the commencement of such solicitation or series of solicitations are elected as directors pursuant to an arrangement or understanding with, or upon the request of or nomination by, such Person and constitute a majority of the Company’s Board of Directors; or

(d) the Company executes an agreement of acquisition, merger or consolidation which contemplates that (i) after the effective date provided for in such agreement, all or substantially all of the business and/or assets of the Company shall be owned, leased or otherwise controlled by another Person and (ii) individuals who are directors of the Company when such agreement is executed shall not constitute a majority of the board of directors of the survivor or successor entity immediately after the effective date provided for in such agreement; provided, however, that unless otherwise determined by the Committee, no transaction shall constitute a Change of Control as to a Participant if, immediately after such transaction, the Participant or any Participant Related Party shall own equity securities of any surviving corporation (“Surviving Entity”) having a fair value as a percentage of the fair value of the equity securities of such Surviving Entity

greater than 125% of the fair value of the equity securities of the Company owned by the Participant and any Participant Related Party immediately prior to such transaction, expressed as a percentage of the fair value of all equity securities of the Company immediately prior to such transaction (for purposes of this paragraph ownership of equity securities shall be determined in the same manner as ownership of Common Stock); and provided, further, that, for purposes of this paragraph (d), if such agreement requires as a condition precedent approval by the Company's shareholders of the agreement or transaction, a Change of Control shall not be deemed to have taken place unless and until the acquisition, merger, or consolidation contemplated by such agreement is consummated (but immediately prior to the consummation of such acquisition, merger, or consolidation, a Change of Control shall be deemed to have occurred on the date of execution of such agreement).

In addition, for purposes of this Exhibit A the following terms have the meanings set forth below:

"Common Stock" shall mean the then outstanding Common Stock of the Company plus, for purposes of determining the stock ownership of any Person, the number of unissued shares of Common Stock which such Person has the right to acquire (whether such right is exercisable immediately or only after the passage of time) upon the exercise of conversion rights, exchange rights, warrants or options or otherwise. Notwithstanding the foregoing, the term Common Stock shall not include shares of Preferred Stock or convertible debt or options or warrants to acquire shares of Common Stock (including any shares of Common Stock issued or issuable upon the conversion or exercise thereof) to the extent that the Board of Directors of the Company shall expressly so determine in any future transaction or transactions.

A Person shall be deemed to be the "owner" of any Common Stock:

(i) of which such Person would be the "beneficial owner," as such term is defined in Rule 13d-3 promulgated by the Securities and Exchange Commission (the "Commission") under the Exchange Act, as in effect on March 1, 1989; or

(ii) of which such Person would be the "beneficial owner" for purposes of Section 16 of the Exchange Act and the rules of the Commission promulgated thereunder, as in effect on March 1, 1989; or

(iii) which such Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated by the Commission under the Exchange Act, as in effect on March 1, 1989) has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options or otherwise.

"Person" shall have the meaning used in Section 13(d) of the Exchange Act, as in effect on March 1, 1989.

A “Participant Related Party” shall mean, with respect to a Participant, any affiliate or associate of the Participant other than the Company or a Subsidiary of the Company. The terms “affiliate” and “associate” shall have the meanings ascribed thereto in Rule 12b-2 under the Exchange Act (the term “registrant” in the definition of “associate” meaning, in this case, the Company).

Notwithstanding the foregoing, in any case where the occurrence of a Change of Control could affect the vesting of or payment under an Award subject to the requirements of Section 409A of the Code, the term “Change of Control” shall mean an occurrence that both (i) satisfies the requirements set forth above in this Exhibit A, and (ii) is a “change in control event” as that term is defined in the regulations under Section 409A of the Code.

EMPLOYMENT AGREEMENT
DATED AS OF JUNE 2, 2009
BETWEEN BERNARD CAMMARATA AND THE TJX COMPANIES, INC.

	INDEX	PAGE
1. EFFECTIVE DATE; TERM OF AGREEMENT		1
2. SCOPE OF EMPLOYMENT		1
3. COMPENSATION AND BENEFITS		2
4. TERMINATION OF EMPLOYMENT; IN GENERAL		3
5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT OR UPON EXPIRATION OF THE AGREEMENT		4
6. OTHER TERMINATION		5
7. BENEFITS UPON CHANGE OF CONTROL		6
8. AGREEMENT NOT TO SOLICIT OR COMPETE		6
9. ASSIGNMENT		9
10. NOTICES		9
11. WITHHOLDING; CERTAIN TAX MATTERS		9
12. GOVERNING LAW		10
13. ARBITRATION		10
14. TERMINATION OF EMPLOYMENT AND SEPARATION FROM SERVICE		10
15. ENTIRE AGREEMENT		11
EXHIBIT A		
CERTAIN DEFINITIONS		A-1
EXHIBIT B		
DEFINITION OF "CHANGE OF CONTROL"		B-1
EXHIBIT C		
CHANGE OF CONTROL BENEFITS		C-1
EXHIBIT D		
COMPETITIVE BUSINESSES		D-1

EMPLOYMENT AGREEMENT

AGREEMENT dated as of June 2, 2009 between BERNARD CAMMARATA (“Executive”) and The TJX Companies, Inc., a Delaware corporation whose principal office is in Framingham, Massachusetts 01701 (the “Company”).

RECITALS

Executive has been employed by the Company as Chairman of the Board and in other executive capacities, most recently pursuant to an employment agreement dated as of June 6, 2006, as amended. The Company and Executive intend that Executive shall be employed by the Company on the terms set forth below and, to that end, deem it desirable and appropriate to enter into this Agreement.

AGREEMENT

The parties hereto, in consideration of the mutual agreements hereinafter contained, agree as follows:

1. EFFECTIVE DATE; TERM OF AGREEMENT. This Agreement shall become effective as of June 2, 2009 (the “Effective Date”) and, as of that date, shall supersede the employment agreement dated as of June 6, 2006, as amended. Executive’s employment by the Company shall continue on the terms provided herein until the date of the annual meeting of stockholders of the Company occurring in 2012 (the “2012 meeting date”), subject to earlier termination as provided herein (such period of employment from and after the Effective Date hereinafter called the “Employment Period”). This Agreement is intended to comply with the applicable requirements of Section 409A and shall be construed accordingly.

2. SCOPE OF EMPLOYMENT.

(a) Nature of Services. During the term hereof, Executive shall diligently perform the duties and responsibilities of Chairman of the Board upon election or reelection to such position by the Board, and such additional executive duties and responsibilities as shall from time to time be assigned to him by the Board. In any matter in which the Board or Committee deliberates or takes action with respect to this Agreement, Executive, if then a member of the body so deliberating or taking action, shall recuse himself.

(b) Extent of Services. Executive shall devote such time and efforts as are reasonably necessary to the proper performance of his duties hereunder, it being understood that such duties are not expected to require Executive’s full-time attention and that Executive may, during the Employment Period, participate in other activities (including, without limitation, charitable or

community activities, activities in trade or professional organizations, service on other boards or similar bodies, and investments in other enterprises), *provided* that such other activities (i) would be permitted under Section 8, and (ii) are not otherwise inconsistent with Executive's position, duties and responsibilities hereunder.

3. COMPENSATION AND BENEFITS.

(a) Base Salary. Executive shall be paid a Base Salary at the rate hereinafter specified, such Base Salary to be paid in the same manner and at the same times as the Company shall pay base salary to other executive employees. The rate at which Executive's Base Salary shall be paid shall be \$500,000 per year or such other rate (not less than \$500,000 per year) as the Committee may determine after Committee review. Executive's Base Salary shall be reviewed by the Committee no later than February 2010 or, if earlier, when other senior executive base salaries are reviewed.

(b) Existing Awards Under Stock Incentive Plan. Any stock-based awards previously made to Executive under the Company's Stock Incentive Plan (including any successor, the "Stock Incentive Plan") shall continue for such period or periods and in accordance with such terms as are set out in the grant and other governing documents relating to such awards (including for this purpose any prior employment agreement in effect between Executive and the Company insofar as it relates by its express terms to any such awards), and shall not be affected by the terms of this Agreement except as otherwise expressly provided herein.

(c) New Award. Effective as of the Effective Date, Executive has received an award under the Stock Incentive Plan of 20,000 shares of performance-based restricted stock in connection with the execution of this Agreement (the "new PBRS award") that shall be subject to the vesting terms described in (i) and (ii) below.

(i) Subject to satisfaction by Executive of the service condition specified in Section 3(c)(ii) below, the new PBRS award will vest on the April date in calendar 2010 when the Committee certifies as to MIP performance results for FYE 2010 (the "determination date") but only if the Committee certifies that MIP performance for FYE 2010 has been achieved at a level providing for MIP payout of at least 67% of the target payout amount; *provided* that, if for FYE 2010 the Committee certifies that MIP performance has been achieved at a level authorizing some MIP payout but less than 67% of the target payout amount, the number of shares of the new PBRS award vesting shall be prorated on a straight line basis (with zero shares vesting if no MIP payout is authorized);

(ii) Except as hereinafter provided or as provided in the award agreement, the new PBRS award shall not vest unless Executive remains employed through January 30, 2010. Notwithstanding the foregoing, if Executive's employment by the Company is terminated by the Company other than for Cause prior to January 30, 2010, subject to Section 8 below, the new PBRS award shall remain outstanding following such termination and shall vest, if at all, in accordance with Section 3(c)(i) above, *provided* that, to the extent any portion of the new PBRS award does not so vest, such portion shall be forfeited as of the determination date.

(d) Continued Participation in Certain Benefits. During the Employment Period, Executive shall continue to be eligible to participate in the employee benefit and fringe benefit plans and programs in effect on the date hereof and made available to executives of the Company generally (including, without limitation, the tax-qualified retirement and profit-sharing plans maintained for the benefit of Company employees (the “Qualified Plans”), and the ESP (subject to clause (iii) below)), in each case in accordance with the terms of such plans or programs as in effect from time to time, subject to the following:

(i) Executive shall not be entitled to participate in any awards under the Company’s Long Range Performance Incentive Plan or under the Company’s Management Incentive Plan.

(ii) The Committee shall periodically consider, and may from time to time grant, awards to Executive under the Stock Incentive Plan in addition to those described in Section 3(b) and Section 3(c) above, such additional awards, if any, to be granted in such form and with such terms as the Committee in its discretion may determine.

(iii) Executive shall not be entitled to any employer credits under ESP.

(iv) Executive shall have no rights to benefits under the Company’s Supplemental Executive Retirement Plan (“SERP”).

Except as provided in Section 3(d)(iii) above, Executive’s entitlement to benefits, if any, under those Company employee and fringe benefit plans and programs in which he participates will be determined in accordance with the terms of the applicable plan or program.

4. TERMINATION OF EMPLOYMENT; IN GENERAL.

(a) The Company shall have the right to end Executive’s employment at any time and for any reason, with or without Cause.

(b) Executive’s employment shall terminate upon written notice by the Company to Executive (or, if earlier, to the extent consistent with the requirements of Section 409A, upon the expiration of the twenty-nine (29)-month period commencing upon Executive’s absence from work) if, by reason of Disability, Executive is unable to perform his duties for at least six continuous months. Any termination pursuant to this Section 4(b) shall be treated for purposes of Section 5 and the definition of “Change of Control Termination” at subsection (f) of Exhibit A as a termination by reason of Disability.

(c) Whenever the Employment Period shall terminate, Executive shall resign all offices or other positions he shall hold with the Company and any affiliated corporations, including all positions on the Board. For the avoidance of doubt, the Employment Period shall terminate upon termination of Executive’s employment for any reason.

5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT OR UPON EXPIRATION OF THE AGREEMENT.

(a) Certain Terminations Prior to the 2012 meeting date. If the Employment Period shall have terminated prior to the 2012 meeting date by reason of (I) death or Disability of Executive, (II) termination by the Company for any reason other than Cause, or (III) a Constructive Termination, then all compensation and benefits for Executive shall be as follows:

(i) For a period of twelve (12) months after the Date of Termination (the "termination period"), the Company will pay to Executive or his legal representative, without reduction for compensation earned from other employment or self employment, continued Base Salary at the rate in effect at termination of employment, in accordance with its regular payroll practices for executive employees of the Company (but not less frequently than monthly); *provided*, that if Executive is a Specified Employee at the relevant time, the Base Salary that would otherwise be payable during the six-month period beginning on the Date of Termination shall instead be accumulated and paid, without interest, in a lump sum on the date that is six (6) months and one day after such date (or, if earlier, the date of Executive's death); *and further provided*, that if Executive is eligible for long-term disability compensation benefits under the Company's long-term disability plan, the amount payable under this clause shall be paid at a rate equal to the excess of (a) the rate of Base Salary in effect at termination of employment, over (b) the long-term disability compensation benefits for which Executive is approved under such plan.

(ii) If Executive elects so-called "COBRA" continuation of group health plan coverage provided pursuant to Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, there shall be added to the amounts otherwise payable under Section 5(a)(i) above, during the continuation of such coverage but not beyond the end of the termination period, an amount (grossed up for federal and state income taxes) equal to the participant cost of such coverage during such period, except to the extent that Executive shall obtain no less favorable coverage from another employer or from self-employment in which case such additional payments shall cease immediately.

(iii) In addition, the Company will pay to Executive or his legal representative such vested amounts as shall then remain credited to Executive's account (but not received) under GDCP and ESP in accordance with the terms of those programs.

(iv) Executive or his legal representative shall be entitled to the benefits described in Section 3(b) (Existing Awards Under Stock Incentive Plan) and Section 3(c) (New Award), and any other awards under the Stock Incentive Plan, in accordance with and subject to the terms of the applicable arrangement (including, for the avoidance of doubt, any award-related provision of this Agreement), and to payment of his vested benefits, if any, under the Qualified Plans.

(v) If termination occurs by reason of Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's long-term disability

plan. If for any period Executive receives long-term disability compensation payments under a long-term disability plan of the Company as well as payments under Section 5(a)(i) above, and if the sum of such payments (the "combined salary/disability benefit") exceeds the payment for such period to which Executive is entitled under Section 5(a)(i) above (determined without regard to the proviso set forth therein), he shall promptly pay such excess in reimbursement to the Company; *provided*, that in no event shall application of this sentence result in reduction of Executive's combined salary/disability benefit below the level of long-term disability compensation payments to which Executive is entitled under the long-term disability plan or plans of the Company.

(vi) Except as expressly set forth above or as required by law, Executive shall not be entitled to continue participation during the termination period in any employee benefit or fringe benefit plans, except for continuation of any automobile allowance which shall be added to the amounts otherwise payable under Section 5(a)(i) above during the continuation of such coverage but not beyond the end of the termination period.

(b) Termination on the 2012 meeting date. Unless earlier terminated or except as otherwise mutually agreed by Executive and the Company, Executive's employment with the Company shall terminate on the 2012 meeting date. Unless the Company in connection with such termination shall offer to Executive continued service in a position acceptable to Executive and upon mutually and reasonably agreeable terms, Executive shall be treated as having been terminated under Section 5(a)(II) on the day immediately preceding the 2012 meeting date and shall be entitled to the compensation and benefits described in Section 5(a) in respect of such a termination, subject, for the avoidance of doubt, to the other provisions of this Agreement including, without limitation, Section 8. If the Company in connection with such termination offers to Executive continued service in a position acceptable to Executive and upon mutually and reasonably agreeable terms, and Executive declines such service, he shall be treated for all purposes of this Agreement as having terminated his employment voluntarily on the 2012 meeting date and he shall be entitled only to those benefits to which he would be entitled under Section 6(a) (Voluntary termination of employment). For purposes of the two preceding sentences, "service in a position acceptable to Executive" shall mean service in a position comparable to the position in which Executive was serving immediately prior to the 2012 meeting date, as reasonably determined by the Board, or service in such other position, if any, as may be acceptable to Executive.

6. OTHER TERMINATION.

(a) Voluntary termination of employment. If Executive terminates his employment voluntarily and other than as provided in Section 5(a)(III), Executive or his legal representative shall be entitled (in each case in accordance with and subject to the terms of the applicable arrangement) to the following: (i) such vested amounts, if any, as are credited to Executive's account (but not received) under GDCP and ESP in accordance with the terms of those programs; (ii) any vested benefits described at Section 3(b) (Existing Awards Under Stock Incentive Plan) and Section 3(c) (New Award), and vested benefits under any other Stock Incentive Plan awards; and (iii) any vested benefits under the Qualified Plans. No other benefits

shall be paid under this Agreement upon a voluntary termination of employment under this Section 6(a).

(b) Termination for Cause. If the Company should end Executive's employment for Cause, all compensation and benefits otherwise payable pursuant to this Agreement shall cease, other than the benefits described at Section 6(a) above. The Company does not waive any rights it may have for damages or for injunctive relief.

7. BENEFITS UPON CHANGE OF CONTROL. Notwithstanding any other provision of this Agreement, in the event of a Change of Control, the determination and payment of any benefits payable thereafter with respect to Executive shall be governed exclusively by the provisions of Exhibit C; *provided*, for the avoidance of doubt, that the provisions of Section 11 of this Agreement shall also apply to the determination and payment of any payments or benefits pursuant to Exhibit C.

8. AGREEMENT NOT TO SOLICIT OR COMPETE.

(a) During the Employment Period and for a period of twenty-four (24) months thereafter (the "Nonsolicitation Period"), Executive shall not, and shall not direct any other individual or entity to, directly or indirectly (including as a partner, shareholder, joint venturer or other investor) (i) hire, offer to hire, attempt to hire or assist in the hiring of, any protected person as an employee, director, consultant, advisor or other service provider, (ii) recommend any protected person for employment or other engagement with any person or entity other than the Company and its Subsidiaries, (iii) solicit for employment or other engagement any protected person, or seek to persuade, induce or encourage any protected person to discontinue employment or engagement with the Company or its Subsidiaries, or recommend to any protected person any employment or engagement other than with the Company or its Subsidiaries, (iv) accept services of any sort (whether for compensation or otherwise) from any protected person, or (v) participate with any other person or entity in any of the foregoing activities. Any individual or entity to which Executive provides services (as an employee, director, consultant, advisor or otherwise) or in which Executive is a shareholder, member, partner, joint venturer or investor, excluding interests in the common stock of any publicly traded corporation of one percent (1%) or less), and any individual or entity that is affiliated with any such individual or entity, shall, for purposes of the preceding sentence, be irrebuttably presumed to have acted at the direction of Executive with respect to any "protected person" who worked with Executive at any time during the six months prior to termination of the Employment Period. A "protected person" is a person who at the time of termination of the Employment Period, or within six months prior thereto, is or was employed by the Company or any of its Subsidiaries either in a position of Assistant Vice President or higher, or in a salaried position in any merchandising group. As to (I) each "protected person" to whom the foregoing applies, (II) each subcategory of "protected person," as defined above, (III) each limitation on (A) employment or other engagement, (B) solicitation and (C) unsolicited acceptance of services, of each "protected person" and (IV) each month of the period during which the provisions of this subsection (a) apply to each of the foregoing, the provisions set forth in this subsection (a) shall be deemed to be separate and independent agreements. In the event of unenforceability of any one or more such agreement(s), such unenforceable agreement(s) shall be deemed automatically reformed in order to allow for the greatest degree of enforceability authorized by law or, if no such

reformation is possible, deleted from the provisions hereof entirely, and such reformation or deletion shall not affect the enforceability of any other provision of this subsection (a) or any other term of this Agreement.

(b) During the course of his employment, Executive will have learned vital trade secrets of the Company and its Subsidiaries and will have access to confidential and proprietary information and business plans of the Company and its Subsidiaries. Therefore, during the Employment Period and for a period of twenty-four (24) months thereafter (the "Noncompetition Period"), Executive will not, directly or indirectly, be a shareholder, member, partner, joint venturer or investor (disregarding in this connection passive ownership for investment purposes of common stock representing one percent (1%) or less of the voting power or value of any publicly traded corporation) in, serve as a director or manager of, be engaged in any employment, consulting, or fees-for-services relationship or arrangement with, or advise with respect to the organization or conduct of, or any investment in, any "competitive business" as hereinafter defined or any Person that engages in any "competitive business" as hereinafter defined, nor shall Executive undertake any planning to engage in any such activities. The term "competitive business" (i) shall mean any business (however organized or conducted) that competes with a business in which the Company or any of its Subsidiaries was engaged, or in which the Company or any Subsidiary was planning to engage, at any time during the 12-month period immediately preceding the date on which the Employment Period ends, and (ii) shall conclusively be presumed to include, but shall not be limited to, (A) any business specified on Exhibit D to this Agreement, and (B) any other off-price, promotional, or warehouse-club-type retail business, however organized or conducted, that sells apparel, footwear, home fashions, home furnishings, jewelry, accessories, or any other category of merchandise sold by the Company or any of its Subsidiaries at the termination of the Employment Period. For purposes of this subsection (b), a "Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or its Subsidiaries, and reference to any Person (the "first Person") shall be deemed to include any other Person that controls, is controlled by or is under common control with the first Person. If, at any time, pursuant to action of any court, administrative, arbitral or governmental body or other tribunal, the operation of any part of this subsection shall be determined to be unlawful or otherwise unenforceable, then the coverage of this subsection shall be deemed to be reformed and restricted as to substantive reach, duration, geographic scope or otherwise, as the case may be, to the extent, and only to the extent, necessary to make this paragraph lawful and enforceable to the greatest extent possible in the particular jurisdiction in which such determination is made.

(c) Executive shall never use or disclose any confidential or proprietary information of the Company or its Subsidiaries other than as required by applicable law or during the Employment Period for the proper performance of Executive's duties and responsibilities to the Company and its Subsidiaries. This restriction shall continue to apply after Executive's employment terminates, regardless of the reason for such termination. All documents, records and files, in any media, relating to the business, present or otherwise, of the Company and its Subsidiaries and any copies ("Documents"), whether or not prepared by Executive, are the exclusive property of the Company and its Subsidiaries. Executive must diligently safeguard all Documents, and must surrender to the Company at such time or times as the Company may specify all Documents then in Executive's possession or control. In addition, upon termination

of employment for any reason other than the death of Executive, Executive shall immediately return all Documents, and shall execute a certificate representing and warranting that she has returned all such Documents in Executive's possession or under his control.

(d) If, during the Employment Period or at any time following termination of the Employment Period, regardless of the reason for such termination, Executive breaches any provision of this Section 8, the Company's obligation, if any, to pay benefits under Section 5 hereof shall forthwith cease and Executive shall immediately forfeit and disgorge to the Company, with interest at the prime rate in effect at Bank of America, or its successor, all of the following: (i) any benefits theretofore paid to Executive under Section 5; (ii) any unexercised stock options and stock appreciation rights held by Executive; (iii) if any other stock-based award vested in connection with termination of the Employment Period, whether occurring prior to, simultaneously with, or following such breach, or subsequent to such breach and prior to termination of the Employment Period, the value of such stock-based award at time of vesting plus any additional gain realized on a subsequent sale or disposition of the award or the underlying stock; and (iv) in respect of each stock option or stock appreciation right exercised by Executive within six (6) months prior to any such breach or subsequent thereto and prior to the forfeiture and disgorgement required by this Section 8(d), the excess over the exercise price (or base value, in the case of a stock appreciation right) of the greater of (A) the fair market value at time of exercise of the shares of stock subject to the award, or (B) the number of shares of stock subject to such award multiplied by the per-share proceeds of any sale of such stock by Executive.

(e) Executive shall notify the Company immediately upon securing employment or becoming self-employed at any time within the Noncompetition Period or the Nonsolicitation Period, and shall provide to the Company such details concerning such employment or self-employment as it may reasonably request in order to ensure compliance with the terms hereof.

(f) Executive hereby advises the Company that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive under this Section 8, and agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, confidential information and other legitimate business interests of the Company and its Subsidiaries, that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints will not prevent Executive from obtaining other suitable employment during the period in which Executive is bound by them. Executive agrees that Executive will never assert, or permit to be asserted on his behalf, in any forum, any position contrary to the foregoing. Executive also acknowledges and agrees that, were Executive to breach any of the provisions of this Section 8, the harm to the Company and its Subsidiaries would be irreparable. Executive therefore agrees that, in the event of such a breach or threatened breach, the Company shall, in addition to any other remedies available to it, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and will additionally be entitled to an award of attorney's fees incurred in connection with enforcing its rights hereunder. Executive further agrees that, in the event that any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to

be modified to permit its enforcement to the maximum extent permitted by law. Finally, Executive agrees that the Noncompetition Period and the Nonsolicitation Period shall be tolled, and shall not run, during any period of time in which Executive is in violation of any of the terms of this Section 8, in order that the Company shall have the agreed-upon temporal protection recited herein.

(g) Executive agrees that if any of the restrictions in this Section 8 is held to be void or ineffective for any reason but would be held to be valid and effective if part of its wording were deleted, that restriction shall apply with such deletions as may be necessary to make it valid and effective. Executive further agrees that the restrictions contained in each subsection of this Section 8 shall be construed as separate and individual restrictions and shall each be capable of being severed without prejudice to the other restrictions or to the remaining provisions.

(h) Executive expressly consents to be bound by the provisions of this Agreement for the benefit of the Company and its Subsidiaries, and any successor or permitted assign to whose employ Executive may be transferred, without the necessity that this Agreement be re-signed at the time of such transfer. Executive further agrees that no changes in the nature or scope of his employment with the Company will operate to extinguish the terms and conditions set forth in Section 8, or otherwise require the parties to re-sign this Agreement.

(i) The provisions of this Section 8 shall survive the termination of the Employment Period and the termination of this Agreement, regardless of the reason or reasons therefor, and shall be binding on Executive regardless of any breach by the Company of any other provision of this Agreement.

9. ASSIGNMENT. The rights and obligations of the Company shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. The rights and obligations of Executive are not assignable except only that payments payable to him after his death shall be made to his estate except as otherwise provided by the applicable plan or award documentation, if any.

10. NOTICES. All notices and other communications required hereunder shall be in writing and shall be given by mailing the same by certified or registered mail, return receipt requested, postage prepaid. If sent to the Company the same shall be mailed to the Company at 770 Cochituate Road, Framingham, Massachusetts 01701, Attention: Chairman of the Executive Compensation Committee, or other such address as the Company may hereafter designate by notice to Executive; and if sent to Executive, the same shall be mailed to Executive at his address as set forth in the records of the Company or at such other address as Executive may hereafter designate by notice to the Company.

11. WITHHOLDING; CERTAIN TAX MATTERS. Anything to the contrary notwithstanding, (a) all payments required to be made by the Company hereunder to Executive shall be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation, and (b) to the extent any payment hereunder that is payable by reason of termination of Executive's employment constitutes "nonqualified deferred compensation" subject to Section 409A and would otherwise have been required to be paid

during the six (6)-month period following such termination of employment, it shall instead (unless at the relevant time Executive is no longer a Specified Employee) be delayed and paid, without interest, in a lump sum on the date that is six (6) months and one day after Executive's termination (or, if earlier, the date of Executive's death). The parties hereto acknowledge that in addition to any delay required under Section 11, it may be desirable, in view of regulations or other guidance issued under Section 409A, to amend provisions of the Agreement to avoid the acceleration of tax or the imposition of additional tax under Section 409A and that the Company will not unreasonably withhold its consent to any such amendments which in its determination are (i) feasible and necessary to avoid adverse tax consequences under Section 409A for Executive, and (ii) not adverse to the interests of the Company. Executive acknowledges and agrees that except for the gross-up entitlement described in Section 5(a)(ii) of this Agreement, the Company shall not be liable to make Executive whole for any taxes that may become due or payable by reason of this Agreement or any payment, benefit or entitlement hereunder.

12. GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be governed by the laws of the Commonwealth of Massachusetts.

13. ARBITRATION. In the event that there is any claim or dispute arising out of or relating to this Agreement, or the breach thereof, and the parties hereto shall not have resolved such claim or dispute within sixty (60) days after written notice from one party to the other setting forth the nature of such claim or dispute, then such claim or dispute shall be settled exclusively by binding arbitration in Boston, Massachusetts in accordance with the Rules Governing Resolutions of Employment Disputes of the American Arbitration Association by an arbitrator mutually agreed upon by the parties hereto or, in the absence of such agreement, by an arbitrator selected according to such Rules. Notwithstanding the foregoing, if either the Company or Executive shall request, such arbitration shall be conducted by a panel of three arbitrators, one selected by the Company, one selected by Executive and the third selected by agreement of the first two, or, in the absence of such agreement, in accordance with such Rules. Judgment upon the award rendered by such arbitrator(s) shall be entered in any Court having jurisdiction thereof upon the application of either party.

14. TERMINATION OF EMPLOYMENT AND SEPARATION FROM SERVICE. All references in the Agreement to termination of employment, a termination of the Employment Period, or separation from service, and correlative terms, that result in the payment or vesting of any amounts or benefits that constitute "nonqualified deferred compensation" within the meaning of Section 409A shall be construed to require a Separation from Service, and the Date of Termination in any such case shall be construed to mean the date of the Separation from Service.

15. ENTIRE AGREEMENT. This Agreement, including Exhibits, represents the entire agreement between the parties relating to the terms of Executive's employment by the Company and supersedes all prior written or oral agreements between them, except to the extent provided herein; *provided*, that this Agreement shall not be construed as superseding or modifying the Restoration Agreement dated December 31, 2002 between the Company and Executive and the letter agreement dated December 31, 2002 relating to certain tax matters.

/s/ Bernard Cammarata

Executive

THE TJX COMPANIES, INC.

By /s/ Carol Meyrowitz

President and Chief Executive Officer

EXHIBIT A

Certain Definitions

In this Agreement, the following terms shall have the following meanings:

(a) “Base Salary” means, for any period, the amount described in Section 3(a).

(b) “Board” means the Board of Directors of the Company.

(c) “Cause” means dishonesty by Executive in the performance of his duties, conviction of a felony (other than a conviction arising solely under a statutory provision imposing criminal liability upon Executive on a per se basis due to the Company offices held by Executive, so long as any act or omission of Executive with respect to such matter was not taken or omitted in contravention of any applicable policy or directive of the Board), gross neglect of duties (other than as a result of Disability or death), or conflict of interest which conflict shall continue for thirty (30) days after the Company gives written notice to Executive requesting the cessation of such conflict.

In respect of any termination during a Standstill Period, Executive shall not be deemed to have been terminated for Cause until the later to occur of (i) the 30th day after notice of termination is given and (ii) the delivery to Executive of a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the Company’s directors at a meeting called and held for that purpose (after reasonable notice to Executive), and at which Executive together with his counsel was given an opportunity to be heard, finding that Executive was guilty of conduct described in the definition of “Cause” above, and specifying the particulars thereof in detail; *provided, however*, that the Company may suspend Executive and withhold payment of his Base Salary from the date that notice of termination is given until the earliest to occur of (A) termination of Executive for Cause effected in accordance with the foregoing procedures (in which case Executive shall not be entitled to his Base Salary for such period), (B) a determination by a majority of the Company’s directors that Executive was not guilty of the conduct described in the definition of “Cause” effected in accordance with the foregoing procedures (in which case Executive shall be reinstated and paid any of his previously unpaid Base Salary for such period), or (C) ninety (90) days after notice of termination is given (in which case Executive shall then be reinstated and paid any of his previously unpaid Base Salary for such period). If Base Salary is withheld and then paid pursuant to clause (B) or (C) of the preceding sentence, the amount thereof shall be accompanied by simple interest, calculated on a daily basis, at a rate per annum equal to the prime or base lending rate, as in effect at the time, of the Company’s principal commercial bank. The Company shall exercise its discretion under this paragraph consistent with the requirements of Section 409A or the requirements for exemption from Section 409A.

(d) “Change in Control Event” means a “change in control event” (as that term is defined in section 1.409A-3(i)(5) of the Treasury Regulations under Section 409A) with respect to the Company.

(e) “Change of Control” has the meaning given it in Exhibit B.

(f) "Change of Control Termination" means the termination of Executive's employment during a Standstill Period (1) by the Company other than for Cause, or (2) by Executive for good reason, or (3) by reason of death or Disability.

For purposes of this definition, termination for "good reason" shall mean the voluntary termination by Executive of his employment within one hundred and twenty (120) days after the occurrence without Executive's express written consent of any one of the events described below, *provided*, that Executive gives notice to the Company within sixty (60) days of the first occurrence of any such event or condition, requesting that the pertinent event or condition described therein be remedied, and the situation remains unremedied upon expiration of the thirty (30)-day period commencing upon receipt by the Company of such notice:

- (I) the assignment to him of any duties inconsistent with his positions, duties, responsibilities, and status with the Company immediately prior to the Change of Control, or any removal of Executive from or any failure to reelect him to such positions, except in connection with the termination of Executive's employment by the Company for Cause or by Executive other than for good reason, or any other action by the Company which results in a diminishment in such position, authority, duties or responsibilities; or
- (II) if Executive's rate of Base Salary for any fiscal year is less than 100% of the rate of Base Salary paid to Executive in the completed fiscal year immediately preceding the Change of Control or if Executive's total cash compensation opportunities, including salary and incentives, for any fiscal year are less than 100% of the total cash compensation opportunities made available to Executive in the completed fiscal year immediately preceding the Change of Control; or
- (III) the failure of the Company to continue in effect any benefits or perquisites, or any pension, life insurance, medical insurance or disability plan in which Executive was participating immediately prior to the Change of Control unless the Company provides Executive with a plan or plans that provide substantially similar benefits, or the taking of any action by the Company that would adversely affect Executive's participation in or materially reduce Executive's benefits under any of such plans or deprive Executive of any material fringe benefit enjoyed by Executive immediately prior to the Change of Control; or
- (IV) any purported termination of Executive's employment by the Company for Cause during a Standstill Period which is not effected in compliance with paragraph (c) above; or
- (V) any relocation of Executive of more than forty (40) miles from the place where Executive was located at the time of the Change of Control; or
- (VI) any other breach by the Company of any provision of this Agreement; or
- (VII) the Company sells or otherwise disposes of, in one transaction or a series of related transactions, assets or earning power aggregating more than 30% of the assets (taken at asset value as stated on the books of the Company determined in

accordance with generally accepted accounting principles consistently applied) or earning power of the Company (on an individual basis) or the Company and its Subsidiaries (on a consolidated basis) to any other Person or Persons (as those terms are defined in Exhibit B).

(g) “Code” means the Internal Revenue Code of 1986, as amended.

(h) “Committee” means the Executive Compensation Committee of the Board.

(i) “Constructive Termination” means a termination of employment by Executive (I) occurring within one hundred twenty (120) days of a requirement by the Company that Executive relocate, without his prior written consent, more than forty (40) miles from the current corporate headquarters of the Company, but only if (i) Executive shall have given to the Company notice of intent to terminate within sixty (60) days following notice to Executive of such required relocation and (ii) the Company shall have failed, within thirty (30) days thereafter, to withdraw its notice requiring Executive to relocate, or (II) in the event that Executive is removed, fails to be nominated to serve, or fails to be reelected, as a Director or as Chairman without his prior written consent. For purposes of clause (I) above, the one hundred twenty (120) day period shall commence upon the end of the thirty (30)-day cure period, if the Company fails to cure within such period.

(j) “Date of Termination” means the date on which Executive’s employment terminates.

(k) “Disabled”/“Disability” means a medically determinable physical or mental impairment that (i) can be expected either to result in death or to last for a continuous period of not less than six months and (ii) causes Executive to be unable to perform the duties of his position of employment or any substantially similar position of employment to the reasonable satisfaction of the Committee.

(l) “Effective Date” has the meaning set forth in Section 1.

(m) “Employment Period” has the meaning set forth in Section 1.

(n) “ESP” means the Company’s Executive Savings Plan.

(o) “GDCCP” means the Company’s General Deferred Compensation Plan or any successor plan.

(p) “Qualified Plans” has the meaning set forth in Section 3(d).

(q) “Section 409A” means Section 409A of the Code.

(r) “Separation from Service” shall mean a “separation from service” (as that term is defined at Section 1.409A-1(h) of the Treasury Regulations under Section 409A) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single “service recipient” with the Company under Section 1.409A-1(h)(3) of such Treasury Regulations. The Committee may, but need not, elect in writing, subject to the applicable

limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a “separation from service” has occurred. Any such written election shall be deemed part of the Agreement.

(s) “SERP” has the meaning set forth in Section 3(d)(iv).

(t) “Specified Employee” shall mean an individual determined by the Committee or its delegate to be a specified employee as defined in subsection (a)(2)(B)(i) of Section 409A. The Committee may, but need not, elect in writing, subject to the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(i) of the Treasury Regulations for purposes of determining “specified employee” status. Any such written election shall be deemed part of the Agreement.

(u) “Standstill Period” means the period commencing on the date of a Change of Control and continuing until the close of business on the earlier of the day immediately preceding the 2012 meeting date or the last business day of the 24th calendar month following such Change of Control.

(v) “Stock” means the common stock, \$1.00 par value, of the Company.

(w) “Stock Incentive Plan” has the meaning set forth in Section 3(b).

(x) “Subsidiary” means any corporation in which the Company owns, directly or indirectly, 50% or more of the total combined voting power of all classes of stock.

(y) “2012 meeting date” has the meaning set forth in Section 1.

EXHIBIT B

Definition of "Change of Control"

"Change of Control" shall mean the occurrence of any one of the following events:

(a) there occurs a change of control of the Company of a nature that would be required to be reported in response to Item 5.01 of the Current Report on Form 8-K (as amended in 2004) pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") or in any other filing under the Exchange Act; *provided, however*, that no transaction shall be deemed to be a Change of Control (i) if the person or each member of a group of persons acquiring control is excluded from the definition of the term "Person" hereunder or (ii) unless the Committee shall otherwise determine prior to such occurrence, if Executive or an Executive Related Party is the Person or a member of a group constituting the Person acquiring control; or

(b) any Person other than the Company, any wholly-owned subsidiary of the Company, or any employee benefit plan of the Company or such a subsidiary becomes the owner of 20% or more of the Company's Common Stock and thereafter individuals who were not directors of the Company prior to the date such Person became a 20% owner are elected as directors pursuant to an arrangement or understanding with, or upon the request of or nomination by, such Person and constitute a majority of the Company's Board of Directors; *provided, however*, that unless the Committee shall otherwise determine prior to the acquisition of such 20% ownership, such acquisition of ownership shall not constitute a Change of Control if Executive or an Executive Related Party is the Person or a member of a group constituting the Person acquiring such ownership; or

(c) there occurs any solicitation or series of solicitations of proxies by or on behalf of any Person other than the Company's Board of Directors and thereafter individuals who were not directors of the Company prior to the commencement of such solicitation or series of solicitations are elected as directors pursuant to an arrangement or understanding with, or upon the request of or nomination by, such Person and constitute a majority of the Company's Board of Directors; or

(d) the Company executes an agreement of acquisition, merger or consolidation which contemplates that (i) after the effective date provided for in the agreement, all or substantially all of the business and/or assets of the Company shall be owned, leased or otherwise controlled by another Person and (ii) individuals who are directors of the Company when such agreement is executed shall not constitute a majority of the board of directors of the survivor or successor entity immediately after the effective date provided for in such agreement; *provided, however*, that unless otherwise determined by the Committee, no transaction shall constitute a Change of Control if, immediately after such transaction, Executive or any Executive Related Party shall own equity securities of any surviving corporation ("Surviving Entity") having a fair value as a percentage of the fair value of the equity securities of such Surviving Entity greater than 125% of the fair value of the equity securities of the Company owned by Executive and any Executive Related Party immediately prior to such transaction, expressed as a percentage of the fair value of all equity securities of the Company immediately prior to such transaction (for purposes of this paragraph ownership of equity securities shall be determined in

the same manner as ownership of Common Stock); *and provided further*, that, for purposes of this paragraph (d), a Change of Control shall not be deemed to have taken place unless and until the acquisition, merger or consolidation contemplated by such agreement is consummated (but immediately prior to the consummation of such acquisition, merger or consolidation, a Change of Control shall be deemed to have occurred on the date of execution of such agreement).

In addition, for purposes of this Exhibit B the following terms have the meanings set forth below:

“Common Stock” shall mean the then outstanding Common Stock of the Company plus, for purposes of determining the stock ownership of any Person, the number of unissued shares of Common Stock which such Person has the right to acquire (whether such right is exercisable immediately or only after the passage of time) upon the exercise of conversion rights, exchange rights, warrants or options or otherwise. Notwithstanding the foregoing, the term Common Stock shall not include shares of Preferred Stock or convertible debt or options or warrants to acquire shares of Common Stock (including any shares of Common Stock issued or issuable upon the conversion or exercise thereof) to the extent that the Board of Directors of the Company shall expressly so determine in any future transaction or transactions.

A Person shall be deemed to be the “owner” of any Common Stock:

(i) of which such Person would be the “beneficial owner,” as such term is defined in Rule 13d-3 promulgated by the Securities and Exchange Commission (the “Commission”) under the Exchange Act, as in effect on March 1, 1989; or

(ii) of which such Person would be the “beneficial owner” for purposes of Section 16 of the Exchange Act and the rules of the Commission promulgated thereunder, as in effect on March 1, 1989; or

(iii) which such Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated by the Commission under the Exchange Act, as in effect on March 1, 1989), has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options or otherwise.

“Person” shall have the meaning used in Section 13(d) of the Exchange Act, as in effect on March 1, 1989.

An “Executive Related Party” shall mean any affiliate or associate of Executive other than the Company or a majority-owned subsidiary of the Company. The terms “affiliate” and “associate” shall have the meanings ascribed thereto in Rule 12b-2 under the Exchange Act (the term “registrant” in the definition of “associate” meaning, in this case, the Company).

EXHIBIT C

Change Of Control Benefits

C.1. Benefits Upon a Change of Control Termination.

(a) The Company shall pay to Executive (A) as hereinafter provided an amount equal to two times his Base Salary for one year at the rate in effect immediately prior to the Date of Termination or the Change of Control, whichever is higher plus (B) within thirty (30) days following the Change of Control Termination, the accrued and unpaid portion of his Base Salary through the Date of Termination, subject to the following. If Executive is eligible for long-term disability compensation benefits under the Company's long-term disability plan, the amount payable under (A) shall be reduced by the annual long-term disability compensation benefit for which Executive is eligible under such plan for the two-year period over which the amount payable under (A) is measured. If for any period Executive receives long-term disability compensation payments under a long-term disability plan of the Company as well as payments under the first sentence of this paragraph (a), and if the sum of such payments (the "combined Change of Control/disability benefit") exceeds the payment for such period to which Executive is entitled under the first sentence of this paragraph (a) (determined without regard to the second sentence of this paragraph (a)), he shall promptly pay such excess in reimbursement to the Company; *provided*, that in no event shall application of this sentence result in reduction of Executive's combined Change of Control/disability benefit below the level of long-term disability compensation payments to which Executive is entitled under the long-term disability plan or plans of the Company. If the Change of Control Termination occurs in connection with a Change of Control that is also a Change in Control Event, the amount described under (A) above shall be paid in a lump sum on the date that is six (6) months and one day following the date of the Change of Control Termination (or, if earlier, the date of Executive's death), unless the Executive is not a Specified Employee on the relevant date, in which case the amount described in this subsection (a) shall instead be paid thirty (30) days following the date of the Change of Control Termination. If the Change of Control Termination occurs in connection with a Change of Control that is not a Change in Control Event, the amount described under (A) above shall be paid, except as otherwise required by Section 11 of the Agreement, in the same manner as it would have been paid in the case of a termination by the Company other than for Cause under Section 5(a).

(b) Until the second anniversary of the Date of Termination, the Company shall maintain in full force and effect for the continued benefit of Executive and his family all life insurance and medical insurance plans and programs in which Executive was entitled to participate immediately prior to the Change of Control provided that Executive's continued participation is possible under the general terms and provisions of such plans and programs. In the event that Executive is ineligible to participate in such plans or programs, the Company shall arrange upon comparable terms to provide Executive with benefits substantially similar to those which he is entitled to receive under such plans and programs. Notwithstanding the foregoing, the Company's obligations hereunder with respect to life or medical coverage or benefits shall be deemed satisfied to the extent (but only to the extent) of any such coverage or benefits provided by another employer.

(c) On the date that is six (6) months and one day following the date of the Change of Control Termination (or, if earlier, the date of Executive's death), the Company shall pay to Executive or his estate, in lieu of any automobile allowance, the present value of the automobile allowance (at the rate in effect prior to the Change of Control) it would have paid for the two years following the Change of Control Termination (or until the earlier date of Executive's death, if Executive dies prior to the date of the payment under this Section C.1(c)); *provided*, that if the Change of Control is not a Change of Control Event, such amount shall instead be paid in the same manner as Executive's automobile allowance would have been paid in the case of a termination by the Company other than for Cause under Section 5(a); *and further provided*, that if Executive is not a Specified Employee on the relevant date, any lump sum payable under this Section C.1(c) shall instead be paid within thirty (30) days following the Change of Control Termination.

C.2. Payment Adjustment. Payments under Section C.1. 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"); *provided*, that if the total of all payments to or for the benefit of Executive, after reduction for all federal taxes (including the excise tax under Section 4999 of the Code) with respect to such payments ("Executive's total after-tax payments"), would be increased by the limitation or elimination of any payment under Section C.1. of this Exhibit, or by an adjustment to the vesting of any equity-based awards that would otherwise vest on an accelerated basis in connection with the Change of Control, amounts payable under Section C.1. of this Exhibit shall be reduced and the vesting of equity-based awards shall be adjusted to the extent, and only to the extent, necessary to maximize Executive's total after-tax payments. Any reduction in payments or adjustment of vesting required by the preceding sentence shall be applied, first, against any benefits payable under Section C.1(a)(A) of this Exhibit, then against the vesting of any award described in Section 3(c) (New Award) that would otherwise have vested in connection with the Change of Control, then against the vesting of any other equity-based awards, if any, that would otherwise have vested in connection with the Change of Control, and then against all other payments, if any. The determination as to whether Executive's payments and benefits include "excess parachute payments" and, if so, the amount and ordering of any reductions in payment required by the provisions of this Section C.2. 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"). In the event of any underpayment or overpayment hereunder, as determined by the accounting firm, the amount of such underpayment or overpayment shall forthwith and in all events within thirty (30) days of such determination be paid to Executive or refunded to the Company, as the case may be, with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code.

C.3. Other Benefits. In addition to the amounts described in Section C.1., Executive or his legal representative shall be entitled to the benefits, if any, described at Section 3(b) (Existing Awards Under Stock Incentive Plan) and Section 3(c) (New Award), and any other awards under the Stock Incentive Plan, and to payment of any vested benefits under GDCP, ESP, and the Qualified Plans.

C.4. Noncompetition; No Mitigation of Damages; etc.

(a) Noncompetition. Upon a Change of Control, any agreement by Executive not to engage in competition with the Company subsequent to the termination of his employment, whether contained in an employment contract or other agreement, shall no longer be effective.

(b) No Duty to Mitigate Damages. Executive's benefits under this Exhibit C shall be considered severance pay in consideration of his past service and his continued service from the date of this Agreement, and his entitlement thereto shall neither be governed by any duty to mitigate his damages by seeking further employment nor offset by any compensation which he may receive from future employment.

(c) Legal Fees and Expenses. The Company shall pay all legal fees and expenses, including but not limited to counsel fees, stenographer fees, printing costs, etc. reasonably incurred by Executive in contesting or disputing that the termination of his employment during a Standstill Period is for Cause or other than for good reason (as defined in the definition of Change of Control Termination) or obtaining any right or benefit to which Executive is entitled under this Agreement following a Change of Control. Any amount payable under this Agreement that is not paid when due shall accrue interest at the prime rate as from time to time in effect at Bank of America, or its successor, until paid in full. All payments and reimbursements under this Section shall be made consistent with the applicable requirements of Section 409A.

(d) Notice of Termination. During a Standstill Period, Executive's employment may be terminated by the Company only upon thirty (30) days' written notice to Executive.

Section 302 Certification

CERTIFICATION

I, Carol Meyrowitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The TJX Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2009

/s/ Carol Meyrowitz

Name: Carol Meyrowitz

Title: President and Chief Executive Officer

Section 302 Certification

CERTIFICATION

I, Jeffrey G. Naylor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The TJX Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 28, 2009

/s/ Jeffrey G. Naylor

Name: Jeffrey G. Naylor

Title: Executive Vice President,
Chief Financial and Administrative Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of The TJX Companies, Inc. (the "Company"), does hereby certify that to my knowledge:

1. the Company's Form 10-Q for the fiscal quarter ended August 1, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Company's Form 10-Q for the fiscal quarter ended August 1, 2009 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Carol Meyrowitz

Name: Carol Meyrowitz

Title: President and Chief Executive Officer

Dated: August 28, 2009

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of The TJX Companies, Inc. (the "Company"), does hereby certify that to my knowledge:

1. the Company's Form 10-Q for the fiscal quarter ended August 1, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Company's Form 10-Q for the fiscal quarter ended August 1, 2009 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey G. Naylor

Name: Jeffrey G. Naylor

Title: Executive Vice President,
Chief Financial and Administrative Officer

Dated: August 28, 2009